

Readopt Ac 301.01, effective 12/27/07 (Document #9051), cited and to read as follows:

CHAPTER Ac 300 CERTIFICATION, REGISTRATION, AND PERMIT REQUIREMENTS

PART Ac 301 APPLICATION PROCEDURE

Ac 301.01 Purpose. The purpose of this part is to describe the process by which an applicant applies to the board either for a certificate to practice as a CPA in the state of New Hampshire or for the registration of a firm to engage in an accounting business in New Hampshire.

Readopt with amendment Ac 301.02, effective 12/27/07, (Document #9051), as amended effective 1/1/12, (Document #10054), to read as follows:

Ac 301.02 CPA Certification Process Overview. Each person seeking a New Hampshire certificate to practice as a CPA shall:

(a) Meet the education requirements set forth in RSA 309-B:5, III, and in Ac 302.02 prior to sitting for the applicable CPA exam;

(b) Meet the experience requirements set forth RSA 309-B:5, IX or X, or a combination of both provided that the minimum amount of experience is documented, and in Ac 302.04;

(c) Take and pass the required applicable CPA examination, the requirements for which shall be the following:

(1) The Uniform Certified Public Accountant Examination created and graded by the American Institute of Certified Public Accountants (AICPA) and administered by the National Association of State Boards of Accountancy (NASBA) for each applicant who is not licensed as:

- a. A Certified Public Accountant (CPA) in any jurisdiction in the United States or Hong Kong;
- b. A Chartered Accountant (CA) in Canada, Australia, New Zealand or Ireland;
- c. A Contadores Publicos Certificado (CPC) in Mexico; or
- d. A holder of any other foreign designation granted in a foreign country and which complies with RSA 309-B:7, X, as determined by NASBA and the board;

(2) The International Qualifications Examination administered by NASBA for each applicant who is licensed pursuant to (1)a. – d. above, and who seeks licensure by reciprocity;

(3) Each applicant shall contact the National Association of State Boards of Accountancy (NASBA) to apply to sit for the exam;

(4) Each applicant shall contact the National Association of State Boards of Accountancy (NASBA) to apply for a certificate to practice as a CPA in New Hampshire;

(5) Applications shall include the payment of the fee required by NASBA, as well as the provision of any documents required by NASBA to determine the applicant's eligibility, in accordance with these rules, to sit for the exam or for a certificate to practice as a CPA in New Hampshire;

(6) Once the applicant is determined to be eligible to sit for the exam, NASBA shall send a Notice to Schedule (NTS) to the applicant;

- (7) Once the applicant receives the NTS, the applicant shall make arrangements to schedule and sit for the exam within 6 months of the issue date on the NTS;
- (8) The board shall refer all inquiries regarding such arrangements directly to NASBA; and
- (9) The applicant shall direct all communication regarding:
 - a. All aspects of the administration of the examination or for a certificate to practice as a CPA in New Hampshire to NASBA; and
 - b. Unresolved conflicts between the applicant and NASBA to the board.
- (d) For an initial certification, each applicant shall submit an application package to NASBA that includes:
 - (1) A fully completed ~~a~~Application ~~f~~For ~~i~~Initial ~~e~~Certification ~~f~~Form, including all required attachments, as described in Ac 301.04;
 - (2) A minimum of 3 character reference forms, as described in Ac 301.06;
 - (3) Verification of education, which shall include:
 - a. If the applicant received his or her education in the United States, an official, sealed transcript from an accredited college or university in the United States and which contains enough information for the board or its designee to determine whether the applicant met the New Hampshire education requirements that were in effect at the time the applicant successfully completed the applicable CPA examination; or
 - b. If an applicant received his or her education outside the United States, an evaluation from any academic credential evaluation service that has been approved by NASBA and which contains the following information so that the board or its designee can determine whether the applicant met the New Hampshire education requirements that were in effect at the time the applicant successfully completed the applicable CPA examination:
 - 1. An equivalency summary that indicates the analogous academic degrees in the United States the applicant holds;
 - 2. A credential analysis that specifies:
 - (i) The name of the country;
 - (ii) The degree awarded;
 - (iii) The year the degree was awarded; and
 - (iv) The entity that awarded the degree;
 - 3. A course-by-course listing; and
 - 4. A course credit analysis that includes:
 - (i) Total credits earned toward the degree as stated on transcripts submitted;
 - (ii) Total accounting credits earned; and
 - (iii) Total business credits earned;
 - (4) Verification of experience, which shall include:

~~(a.)~~ Public accounting experience documented using ~~p~~**P**ublic ~~a~~**A**ccounting ~~e~~**E**xperience ~~v~~**V**erification ~~f~~**F**orm, as described in Ac 301.07;

b. Governmental accounting experience documented using ~~g~~**G**overnmental ~~a~~**A**ccounting ~~e~~**E**xperience ~~v~~**V**erification ~~f~~**F**orm as described in Ac 301.08; or

c. A combination of public and governmental accounting experience using the forms described in a. and b. above, provided that the total amount of experience meets the minimum amount of experience required by RSA 309-B:5;

(5) If the applicant sat for the applicable CPA examination in another state, a fully completed ~~a~~**A**uthorization ~~f~~**F**or ~~i~~**I**nterstate ~~e~~**E**xchange ~~o~~**O**f ~~i~~**I**nformation ~~f~~**F**orm as described in Ac 301.09; and

(6) The application processing fee as required by NASBA.

(e) For a reciprocity certification, submit an application package that shall include:

(1) A fully completed ~~r~~**R**eciprocity ~~a~~**A**pplication ~~f~~**F**orm, including all required attachments, as described in Ac 301.05;

(2) One of the following:

a. If the applicant received his or her education in the United States, an official, sealed transcript from an accredited college or university in the United States and which contains enough information for the board or its designee to determine whether the applicant met the New Hampshire education requirements that were in effect at the time the applicant successfully completed the applicable CPA examination; or

b. If an applicant received his or her education outside the United States, an evaluation from any academic credential evaluation service that has been approved by NASBA and which contains the following information so that the board or its designee can determine whether the applicant met the New Hampshire education requirements that were in effect at the time the applicant successfully completed the applicable CPA examination:

1. An equivalency summary that indicates the analogous academic degrees in the United States the applicant holds;

2. A credential analysis that specifies:

(i) The name of the country;

(ii) The degree awarded;

(iii) The year the degree was awarded; and

(iv) The entity that awarded the degree;

3. A course-by-course listing; and

4. A course credit analysis that includes:

(i) Total credits earned toward the degree as stated on transcripts submitted;

(ii) Total accounting credits earned; and

(iii) Total business credits earned;

(3) of experience, which shall include:

a. Public accounting experience documented using ~~p~~**P**ublic ~~a~~**A**ccounting ~~e~~**E**xperience ~~v~~**V**erification ~~f~~**F**orm, as described in Ac 301.07 or have been active in practice for at least 4 of the 10 years immediately preceding the application;

b. Governmental accounting experience documented using ~~g~~**G**overnmental ~~a~~**A**ccounting ~~e~~**E**xperience ~~v~~**V**erification ~~f~~**F**orm as described in Ac 301.08; or

c. A combination of public and governmental accounting experience using the forms described in a. and b. above, provided that the total amount of experience meets the minimum amount of experience required by RSA 309-B:5;

(4) A fully completed ~~a~~**A**uthorization ~~F~~**f**or ~~I~~**I**nterstate ~~E~~**E**xchange ~~o~~**O**f ~~I~~**I**nformation ~~f~~**F**orm as described in Ac 301.09;

(5) A photocopy of each verifying CPA, CA, CPC or other equivalent foreign designation holder's:

a. Driver's license clearly showing such person's photograph, identification information, and signature; or

b. Passport clearly showing such person's photograph, identification information, and signature; and

(6) The application fee required pursuant to RSA 309-B:4, VIII(h) and as specified in Ac 301.134; and

(f) If the applicant is unable to provide the verification of experience as required by (e) (3) above, provide proof of:

(1) Passing, within the 10 years immediately preceding the application, the examination on which the certificate was based pursuant to RSA 309-B:7, III(b); and

(2) Having acquired at least 4 years' public accounting experience outside New Hampshire after passing the examination required pursuant to (1) above.

(g) Personally appear before the board or a designee of the board if the board determines that there are any questions regarding any aspect of the application that cannot be completely resolved without such a personal appearance.

Readopt Ac 301.03, effective 1/1/12 (Document #10054), to read as follows:

Ac 301.03 Requirements for Forms and Other Submissions. All forms and other documents submitted to NASBA on behalf of the board pursuant to Ac 300 shall:

(a) Be written in English unless the original document is in another language, in which case a copy of the document in its original language shall be accompanied by a translation that has been attested to by the person who translated the document as being accurate and complete; and

(b) Except for signatures and dates of signatures, applications shall not be handwritten. The board or its designee shall accept forms and other documents that have been produced through the use of a computer, typewriter, or some other process that produces similarly legible and uniform text.

Readopt with amendment Ac 301.04 and Ac 301.05, effective 12/27/07 (Document #9051), as amended effective 1/1/12 (Document #10054), to read as follows:

Ac 301.04 Application for Initial Certification as CPA Form. Each applicant for an initial certification as a CPA shall provide the following on or with ~~a~~**A**pplication ~~f~~**F**or ~~i~~**I**nitial ~~e~~**E**rtification ~~f~~**F**orm:

- (a) The applicant's personal information, which shall include his or her:
 - (1) Full legal name as it appears on the applicant's passport, if not a US citizen, or driver's license if a US citizen, as well as any other name by which the applicant has been known, including maiden name;
 - (2) Residential and complete mailing addresses including the name of the business if the mailing address is for business;
 - (3) Telephone number;
 - (4) Date of birth;
 - (5) Place of birth, including the name of the city or town, the name of the state or province, and the name of the country; and
 - (6) If a United States citizen or a legal United States resident, Social Security Number, as required pursuant to RSA 161-B:11, VI-a;
- (b) A photocopy of the applicant's:
 - (1) Driver's license clearly showing such person's photograph, identification information, and signature; or
 - (2) Passport clearly showing such person's photograph, identification information, and signature;
- (c) The name, address, and telephone number of the applicant's current employer;
- (d) Every date on, and state in, which the applicant sat for and passed any portion of the applicable CPA examination;
- (e) An updated list of post-secondary schools attended and degrees earned between the time of applying to sit for the CPA examination and applying for certification if such updated information would affect the experience required pursuant to RSA 309-B:5, IX;
- (f) A statement as to whether the applicant has ever been disciplined, suspended, or expelled from any professional organization;
- (g) A chronological summary of the applicant's public and governmental accounting experience that includes:
 - (1) The applicant's position title;
 - (2) The beginning and ending dates of such employment;
 - (3) The name of the employer; and
 - (4) The address of the employer;
- (h) A summary of the character references that includes:
 - (1) The name and address of the person providing the character reference;
 - (2) The occupation of the person providing the character reference; and
 - (3) The number of years that the person providing the character reference has known the applicant;

(i) A statement as to whether the applicant has ever been convicted of a felony that has not been annulled or committed any dishonest act. If the applicant responds in the affirmative, the applicant shall provide a complete description of the circumstances surrounding such conviction, act, or both, omitting no material fact;

(j) At least 3 character references, using a separate *Character Reference* ~~Form~~ for each;

(k) Verification of accounting experience, using ~~Public~~ ~~Accounting~~ ~~Experience~~ ~~Verification~~ ~~Form~~ and ~~Governmental~~ ~~Accounting~~ ~~Experience~~ ~~Verification~~ *Form*, as appropriate;

(l) If the applicant passed the applicable CPA examination in a state other than New Hampshire, the applicant also shall:

(1) Indicate each state in, and date on, which he or she sat for any part of the applicable CPA examination;

(2) Indicate whether he or she has ever been licensed, as that term is defined in RSA 541-A:1, VIII, in any state, and if so which state or states;

(3) Indicate the status of each CPA license disclosed pursuant to (2) above that the applicant currently holds or has held;

(4) Provide a summary of the applicant's education, which shall include:

- a. The full name of the educational institution attended or the special training received;
- b. The location at which such education or special training was obtained;
- c. The beginning and ending attendance dates;
- d. The date the applicant graduated or completed the training; and
- e. The degree or other recognition awarded;

(5) Provide documentary evidence demonstrating that the applicant satisfies the New Hampshire CPA education requirements, which shall be in the form of one of the following:

a. If the applicant received his or her education in the United States, an official, sealed transcript from an accredited college or university in the United States and which contains enough information for the board or its designee to determine whether the applicant met the New Hampshire education requirements that were in effect at the time the applicant successfully completed the applicable CPA examination; or

b. If an applicant received his or her education outside the United States, an evaluation from any academic credential evaluation service that has been approved by NASBA and which contains the following information so that the board or its designee can determine whether the applicant met the New Hampshire education requirements that were in effect at the time the applicant successfully completed the applicable CPA examination:

1. An equivalency summary that indicates the analogous academic degrees in the United States the applicant holds;

2. A credential analysis that specifies:

(i) The name of the country;

(ii) The degree awarded;

(iii) The year the degree was awarded; and

- (iv) The entity that awarded the degree;
- 3. A course-by-course listing; and
- 4. A course credit analysis that includes:
 - (i) Total credits earned toward the degree;
 - (ii) Total accounting credits earned; and
 - (iii) Total business credits earned;
- (6) A fully completed ~~A~~authorization ~~F~~for ~~I~~interstate ~~E~~exchange of ~~I~~nformation ~~f~~Form, for each state in which the applicant:
 - a. Sat for any portion of the applicable CPA examination outside New Hampshire; and
 - b. Has ever held a CPA license;
- (m) The fee specified in Ac 301.134; ~~and~~
- (n) The application processing fee as required by NASBA; and
- (o) A certification signed by the applicant indicating that the application is true and correct to the best of the applicants knowledge and belief.

Ac 301.05 Application for Certification as CPA Through Reciprocity Form. Each applicant for certification as a CPA through reciprocity shall provide the following on or with the ***Application For Reciprocity*** ~~f~~Form:

- (a) The applicant's personal information, which shall include his or her:
 - (1) Full legal name as it appears on the applicant's passport, if not a US citizen, or driver's license if a US citizen, as well as any other name by which the applicant has been known, and maiden name if applicable;
 - (2) Residential and complete mailing addresses including the name of the business if the mailing address is for a business;
 - (3) Telephone number;
 - (4) Date of birth;
 - (5) Place of birth, including the name of the city or town, the name of the state or province, and the name of the country; and
 - (6) If a United States citizen or a legal United States resident, Social Security Number, as required pursuant to RSA 161-B:11, VI-a;
- (b) A photocopy of the applicant's:
 - (1) Driver's license clearly showing such person's photograph, identification information, and signature; or
 - (2) Passport clearly showing such person's photograph, identification information, and signature;
- (c) The name, address, and telephone number of the applicant's current employer;

(d) Each date on, and state in, which the applicant passed any portion of the applicable CPA examination;

(e) An indication of whether he or she has ever been licensed, as that term is defined in RSA 541-A:1, VIII, in any state, and if so which state or states;

(f) An indication of the status of each CPA license disclosed pursuant to (e) above that the applicant currently holds or has held;

(g) The number of hours of continuing professional education (CPE) the applicant has completed, and the time frame in which such CPE was completed;

(h) A statement as to whether the applicant has ever been disciplined, suspended, or expelled from any professional organization;

(i) ~~2~~ **Two** passport-type photographs of the applicant;

(j) A summary of the applicant's education, which shall include:

(1) The full name of the educational institution attended or the special training received;

(2) The location at which such education or special training was obtained;

(3) The beginning and ending attendance dates;

(4) The date the applicant graduated or completed the training; and

(5) The degree or other recognition awarded;

(k) Documentary evidence demonstrating that the applicant satisfies the New Hampshire education requirements, which shall be in the form of one of the following:

(1) If the applicant received his or her education in the United States, an official, sealed transcript from an accredited college or university in the United States and which contains enough information for the board or its designee to determine whether the applicant met the New Hampshire education requirements that were in effect at the time the applicant successfully completed the applicable CPA examination; or

(2) If an applicant received his or her education outside the United States, an evaluation from any academic credential evaluation service that has been approved by NASBA and which contains the following information so that the board or its designee can determine whether the applicant met the New Hampshire education requirements that were in effect at the time the applicant successfully completed the applicable CPA examination:

a. An equivalency summary that indicates the analogous academic degrees in the United States the applicant holds;

b. A credential analysis that specifies:

1. The name of the country;

2. The degree awarded;

3. The year the degree was awarded; and

4. The entity that awarded the degree;

c. A course-by-course listing; and

d. A course credit analysis that includes:

1. Total credits earned toward the degree;
2. Total accounting credits earned; and
3. Total business credits earned;

(l) A chronological summary of the applicant's public and governmental accounting experience that includes:

- (1) The applicant's position title;
- (2) The beginning and ending dates of such employment;
- (3) The name of the employer; and
- (4) The address of the employer;

(m) A summary of the character references that includes:

- (1) The name and address of the person providing the character reference;
- (2) The occupation of the person providing the character reference; and
- (3) The number of years that the person providing the character reference has known the applicant;

(n) A statement as to whether the applicant has ever been convicted of a felony that has not been annulled or committed any dishonest act. If the applicant responds in the affirmative, the applicant shall provide a complete description of the circumstances surrounding such conviction, act, or both, omitting no material fact;

(o) At least 3 character references, using a separate **C**haracter **R**eference **F**orm for each;

(p) Verification of accounting experience, using **P**ublic **A**ccounting **E**xperience **V**erification **F**orm and **G**overnmental **A**ccounting **E**xperience **V**erification **F**orm, as appropriate;

(q) As an alternative to (p) above, documents that establish pursuant to RSA 309-B:7, III(b), that the applicant has at least 4 years' experience in the 10 years immediately preceding the application, which shall include but not be limited to any one or more of the following to evidence public accounting experience to satisfy RSA 309-B:7, III(b):

- (1) Copies of the applicant's W2 forms issued by the firm(s) that employed the applicant;
- (2) Copies of documents prepared by the applicant and filed with the IRS; or
- (3) One or more letters from the firm or firms that employed the applicant, with each such letter:
 - a. Written on firm letterhead;
 - b. Identifies the applicant by full name and both business and residential addresses;
 - c. Indicating the dates of employment in which the applicant practiced public accounting;
 - d. Signed by a CPA who attests to the accuracy of the information provided; **and**

(r) A fully completed **A**uthorization for **I**nterstate **E**xchange of **I**nformation **F**orm, for each state in which the applicant:

- (1) Sat for any portion of the applicable CPA examination; and

- (2) Has ever held a CPA license;
- (s) The application processing fee as required by NASBA; and
- (t) A certification signed by the applicant indicating that the application is true and correct to the best of the applicants knowledge and belief.

Readopt with amendment Ac 301.06, effective 12/27/07 (Document #9051), to read as follows:

Ac 301.06 Character Reference Form. Each applicant for initial certification as a CPA or certification as a CPA through reciprocity shall provide each character reference on a separate ~~e~~Character ~~#~~Reference ~~f~~Form that:

- (a) ~~Shall i~~Includes the following information supplied by the applicant:
 - (1) The applicant's name, residential address, and telephone number;
 - (2) Whether the application is being filed for initial certification or certification by reciprocity;
 - (3) The date the applicant signed the form to the person writing the character reference;
- (b) ~~Shall i~~Includes the following supplied by the person writing the character reference:
 - (1) The writer's name, residential addresses, and telephone number;
 - (2) The context or contexts in which the writer became acquainted with the applicant;
 - (3) The nature of the relationship that the writer has with the applicant and the length of time that the writer has known the applicant;
 - (4) Any information about the applicant that the writer believes supports or detracts from the applicant's good character; and
 - (5) The writer's signature indicating that the information contained in the reference is true and correct to the best of the writer's knowledge and belief, and the date signed.

Readopt with amendment Ac 301.07 and Ac 301.08, effective 12/27/07 (Document #9051), as amended effective 1/1/12 (Document #10054), to read as follows:

Ac 301.07 Public Accounting/ Experience Verification Form.

(a) Each applicant for initial certification as a CPA or certification as a CPA through reciprocity shall provide verification of public accounting experience, using a separate ~~p~~Public ~~a~~Accounting ~~e~~Experience ~~v~~Verification ~~f~~Form for each employer, that:

- (1) Includes the applicant's name and relevant dates of employment;
- (2) Is completed by a CPA, CA, CPC or other equivalent foreign designation holder who identifies himself or herself as one or more of the following:
 - a. A CPA in the United States or Hong Kong;
 - b. A CA in Canada, Australia, New Zealand or Ireland;
 - c. A CPC in Mexico; or
 - d. Any other designation from a foreign country determined to be substantially equivalent pursuant to Ac 301.02(c)(1)e.;

(3) Provides the following information regarding the CPA, CA, or CPC or other equivalent foreign designation verifying the applicant's experience:

- a. The CPA, CA, or CPC or other equivalent foreign designation holder's full name;
- b. The name of the state, province, and country in which the CPA, CA, CPC, or other equivalent foreign designation holder is licensed; and
- c. License number if any;
- d. The date on which such license or certification expires;

(4) Provides 2 columns, with one column being used if the applicant possesses a master's degree pursuant to RSA 309-B:5, IX(b), and Ac 302.04 (b)(2)b., and the other if the applicant possesses a baccalaureate degree;

(5) Provides the number of hours of experience the applicant accumulated in each of the following areas of practice:

- a. Audit, review, financial statements or any report function;
- b. Management advisory services;
- c. Financial advisory services;
- d. Consulting services;
- e. Preparation of tax returns;
- f. Furnishing advice on tax returns;
- g. Furnishing advice on tax matters; and
- h. Private practice or industry;

(6) Provides the total number of hours the applicant accumulated in the practice areas listed in (5)a. through h. above;

(7) Provides the total number of hours spent performing other functions including but not limited to:

- a. Administrative functions;
- b. Non-billable projects;
- c. CPE; and
- d. Time off;

(8) Indicates whether the applicant worked full-time or part-time; and

(9) The CPA, CA, CPC or other equivalent foreign designation holder's signature indicating that the information contained in the experience verification is true and correct to the best of the CPA, CA, CPC or other equivalent foreign designation holder's knowledge and belief, and the date signed.

(b) Each applicant for an initial certification as a CPA or certification as a CPA through reciprocity shall provide verification of the CPA, CA, CPC or other equivalent foreign designation holder's license status from the licensing body that licensed the applicant and that includes:

- (1) The full name of such CPA, CA, CPC or other equivalent foreign designation holder;
- (2) The date on which certification or licensure began and the current expiration date; and
- (3) A statement as to whether the CPA, CA, CPC or other equivalent foreign designation holder is current and in good standing.

(c) Each applicant for initial certification as a CPA or certification as a CPA through reciprocity shall provide a cover letter for each separate ~~p~~**P**ublic ~~a~~**A**ccounting ~~e~~**E**xperience ~~v~~**V**erification ~~f~~**F**orm submitted. Each such letter shall be signed by the same person who signed *the* ~~p~~**P**ublic ~~a~~**A**ccounting ~~e~~**E**xperience ~~v~~**V**erification ~~f~~**F**orm as required by (a)(9) above.

(~~d~~**e**) Each cover letter required pursuant to (~~c~~**d**) above, shall:

- (1) Be on the employer's letterhead;
- (2) Identify the applicant for whom verification is being provided;
- (3) Contains the following statements:

“I have read RSA 309-B:5, IX and I understand it is my responsibility as a Certified Public Accountant or a Public Accountant in the United States and its territories, a Chartered Accountant from Australia, Chartered Accountant from Canada, Chartered Accountant from Ireland, Chartered Accountant from New Zealand or Contadores Publicos Certificado from Mexico (please choose the appropriate title), Certified Public Accountant in Hong Kong to professionally prepare the above named individual to enable this person to meet those experience requirements. This experience should make an individual proficient in the practice of public accounting.

“I hereby attest to the fact that I have read RSA 309-B:5, IX, understand its requirements and certify that the above named individual has obtained the full experience or partial experience (please choose the appropriate one), from this organization to meet those requirements, and has demonstrated to me personally that they have been proficient in their performance.”

- (4) Have the printed name, title, and address of the CPA, CA, CPC or other equivalent foreign designation holder verifying that the applicant has accumulated such experience; and
- (5) Be signed by the CPA, CA, CPC or other equivalent foreign designation holder verifying that the applicant has accumulated such experience.

Ac 301.08 Governmental Accounting Experience Verification Form.

(a) Each applicant for initial certification as a CPA or certification as a CPA through reciprocity who has governmental accounting experience shall verify such experience by providing a separate ~~g~~**G**overnmental ~~a~~**A**ccounting ~~e~~**E**xperience ~~v~~**V**erification ~~f~~**F**orm for each governmental employer that:

- (1) Identifies the applicant by first and last name;
- (2) Identifies the government employer and the dates of the applicant's employment;
- (3) Provides the following information regarding the CPA, CA, CPC or other equivalent foreign designation holder who is attesting to the candidate's governmental accounting experience:
 - a. The specific type of licensure held;
 - b. The full first and last name of the CPA, CA, CPC or other equivalent foreign designation holder;

- c. The position held by the CPA, CA, CPC or other equivalent foreign designation holder in the governmental employer;
 - d. The state, jurisdiction, or country in which the CPA, CA, CPC or other equivalent foreign designation holder is licensed to practice; and
 - e. The expiration date of the CPA, CA, CPC or other equivalent foreign designation holder's license;
- (4) Indicates whether the applicant's governmental accounting experience satisfies the requirements of RSA 309-B:5, X(a), (b), or (c), and if so, which;
- (5) If verification of the applicant's governmental accounting experience is claimed to have been satisfied pursuant to RSA 309-B:5, X(b), a list of at least 3 governmental agencies or distinct organization units through which such experience was obtained;
- (6) If verification of the applicant's governmental accounting experience is claimed to have been satisfied pursuant to RSA 309-B:5, X(a) or (c), a list of at least 3 distinct lines of commercial or industrial business through which such experience was obtained;
- (7) The number of hours during which the applicant performed the duties claimed under (5) above or (6) above, or both, in the following areas:
- a. Auditing tax returns or books and accounts of non-governmental entities;
 - b. Auditing the books and accounts or activities of 3 or more governmental agencies or distinct organization units; ~~and~~
 - c. Reviewing the financial statements and supporting materials covering the financial condition and operations of non-governmental entities engaged in at least 3 distinct lines of commercial or industrial business; and
 - d. All activities not covered under a. – c. above.
- (8) An indication of whether the hours of experience claimed pursuant to (7) above is the actual number or an approximation;
- (9) An indication of whether the applicant practiced full-time or part-time; and
- (10) Includes both the signature and printed name of the individual CPA, CA, CPC or other equivalent foreign designation holder verifying such experience as well as the date of such signature.
- (b) The signature required pursuant to (a)(10) above shall be an attestation that the information contained in the letter is true and correct to the best of the CPA, CA, CPC or other equivalent foreign designation holder's knowledge and belief.
- (c) The applicant shall also obtain from the CPA, CA, CPC or other equivalent foreign designation holder who provides verification pursuant to (a) above an attestation letter on the official letterhead of the government employer identified in (a)(2) above.
- (d) The attestation letter required pursuant to (c) above shall state:
- “I have read RSA 309-B:5, X, and understand it is my responsibility as a Certified Public Accountant or Public Accountant in the United States, a CA in Canada, CA in Australia, CA in Ireland, CA in New Zealand or CPC in Mexico, Certified Public Accountant in Hong Kong or other equivalent foreign designation holder (please choose the appropriate title), to professionally

prepare the above-named individual to enable this person to meet the experience requirement. This experience should make an individual proficient in the practice of public accounting.

“I hereby attest to the fact that I have read RSA 309-B:5, X, and understand its requirements and certify that the above-named individual has obtained the full experience or partial experience (please choose the appropriate one) from this agency to meet those requirements, and has demonstrated to me personally that they have been proficient in their performance.”

(e) To be accepted by the board or its designee, the attestation letter shall:

- (1) Comply with (c) and (d) above;
- (2) Be signed by the CPA, CA, CPC or other equivalent foreign designation holder who provided verification pursuant to (a) above; and
- (3) Include the printed name and title of the CPA, CA, CPC or other equivalent foreign designation holder who signed the letter.

Readopt with amendment Ac 301.09, effective 12/27/07 (Document #9051), to read as follows:

Ac 301.09 Authorization for Interstate Exchange of Information Form.

(a) If the applicant is required to submit an ~~A~~authorization for ~~I~~interstate ~~E~~exchange of ~~I~~nformation ~~F~~orm, the applicant shall provide the following on or with the form:

- (1) The applicant's current name and any other names by which the applicant was known, if applicable;
- (23) The applicant's date of birth;
- (34) The applicant's current mailing address;
- (45) A fully executed authorization for the release of the following information, verifications, or statements from each other state's board of accountancy to the New Hampshire board:
 - a. A complete list of each grade the applicant earned on any part of the applicable CPA examination taken in that state;
 - b. A statement as to whether the applicant was ever denied admission to the applicable CPA examination; ~~and~~
 - c. If applicant has not completed the applicable CPA examination, a statement describing any restrictions preventing the applicant from sitting for the applicable CPA examination in that state; *and*
 - d. If applicant is licensed as a certified public accountant, the following:
 1. A statement as to whether the applicant's license is in good standing;
 2. A statement as to whether the applicant is authorized to practice public accounting in that state;
 3. If applicant holds a current license, a statement as to when the current license will expire; and
 4. If applicant does not hold a current license to practice public accountancy, a brief description of what requirements the applicant must meet for reinstatement of the license.

Readopt with amendment Ac 301.10 and Ac 301.11, effective 12/27/07 (Document #9051), as amended effective 1/1/12 (Document #10054), to read as follows:

Ac 301.10 CPA Firm Permit Overview. Each CPA firm seeking a permit to practice as a CPA firm in New Hampshire or a foreign CPA firm that provides attest services pursuant to RSA 309-B:3, I and compilation services pursuant to RSA 309-B:3, III-a for a client having its home office in New Hampshire shall:

- (a) Demonstrate compliance with the ownership requirements set forth in RSA 309-B:8, III(a);
- (b) Demonstrate that any individual CPA who is responsible for supervising attest services or authorizes someone to sign the accountant's report on the financial statements on behalf of the firm, meets the experience requirements set forth in RSA 309-B:8, III(c);
- (c) Submit a fully completed CPA ~~f~~Firm ~~p~~Permit ~~a~~Application ~~f~~Form;
- (d) Submit a peer review affidavit form, if required pursuant to Ac 405.02;
- (e) Submit a copy of the most recent peer review acceptance letter, if the CPA firm has been issuing reports for 3 or more years, as required pursuant to Ac 405.02;
- (f) Submit the application fee required pursuant to RSA 309-B:8, V and as specified in Ac 301.134.

Ac 301.11 CPA Firm Permit Application Form. Each CPA firm seeking a permit to practice as a CPA firm in New Hampshire or a foreign CPA firm that provides attest services pursuant to RSA 309-B:3, I and compilation services pursuant to RSA 309-B:3, III-a shall provide the following on or with the form:

- (a) The complete name of the CPA firm;
- (b) The telephone number, fax number, and principal New Hampshire address of the CPA firm, including:
 - (1) Street and number;
 - (2) City;
 - (3) State; and
 - (4) Zip code;
- (c) An indication of the type of practice by selecting one of the following:
 - (1) Certified Public Accountant(s);
 - (2) Public Accountant(s);
 - (3) Both CPA's and PA's; and
 - (4) CPA's and non-licensee owners;
- (d) A list of all partners, shareholders, or owners *on firm letterhead*, including non-licensee owners, that specifies:
 - (1) Each such person's name, home address, and home telephone number;
 - (2) Each such person's business address and business telephone number; and
 - (3) A description of each person's ownership interest, including percentage of ownership;
- (e) A list of all licensees who work in New Hampshire for the CPA firm, that specifies:

- (1) Each such licensee's name;
- (2) Each such licensee's New Hampshire certificate number; and
- (3) Each such New Hampshire licensee's certificate expiration date;
- (f) A list of every state in which the CPA firm has applied for or holds a permit to practice as a CPA firm;
- (g) A list of every past denial, revocation, suspension, or other disciplinary action taken against the CPA firm's permit to practice in any state;
- (h) Identification of the individual or individuals who will be in charge of all attest services rendered in New Hampshire, including each such licensee's:
 - (1) Full name;
 - (2) Business address and business telephone number; and
 - (3) New Hampshire certification number and certification expiration date;
- (i) A copy of the most recent peer review acceptance letter, if the CPA firm has been issuing reports for 3 or more years;
- (j) The affidavit described in Ac 301.12;
- (k) The fee specified in Ac 301.134; ~~and~~
- (l) A certification signed by an authorized representative of the firm indicating that the application is true and correct to the best of the representative's knowledge and belief; ~~and~~
- (m) Acknowledgement that the provision of false information is a basis for disciplinary action by the board.***

Readopt Ac 301.12, effective 12/27/07 (Document #9051), as amended effective 1/1/12 (Document # 10054), and change the section heading, to read as follows:

Ac 301.12 Affidavit for Peer Review Form.

- (a) Each CPA firm seeking a permit to practice as a CPA firm in New Hampshire shall submit an affidavit regarding peer review that complies with this section.
- (b) The applicant shall supply the following on the affidavit provided by the board:
 - (1) If the CPA firm does not issue the reports, a statement indicating that the CPA firm does not issue reports and is exempt from the peer review requirement;
 - (2) If the CPA firm has issued its first report less than 18 months prior to the date of the affidavit, a statement indicating that the CPA firm has issued its first report less than 18 months prior to the date of the affidavit and the year end date on such engagement;
 - (3) If the CPA firm issues reports and has received a peer review report with a rating of pass, a statement indicating that the CPA firm has had a peer review report with the rating of pass and when the next peer review is due; and
 - (4) If the CPA firm issues reports and has received a peer review report of pass with deficiency or deficiencies or fail reporting rating, a statement indicating that the CPA firm is currently taking the

necessary steps to correct the deficiency or deficiencies and the date that the CPA firm will notify the board and submit a copy of the final completion letter.

(c) Each affidavit submitted pursuant to this section shall:

- (1) Include the printed name of the authorized representative of the CPA firm;
- (2) Be signed by the authorized representative, thereby attesting to the accuracy and truthfulness of the affidavit; and
- (3) Include the date the authorized representative signed the affidavit attesting to its accuracy and truthfulness.

~~Hold Ac 301.13 in reserve as follows:~~

~~Ac 301.13 Reserved.~~

Readopt with amendment Ac 301.13 and Ac 301.14, effective 12/27/07, (Document #9051), to read as follows:

Ac 301.134 Fees.

(a) All fees shall be non-refundable.

(b) Fees for initial issuances shall be *as follows*:

- (1) The fee for the CPA certificate issued pursuant to RSA 309-B:5, I or RSA 309-B:7, shall be \$75.00;
- (2) The fee for the examination as a certified public accountant shall be \$75.00; and
- (3) Biennial permit for a CPA firm shall be \$60.00.
- (4) The fee for replacement of *a* lost or mutilated certificate shall be \$50.00; and
- (5) The fee for verification of licensure or examination shall be \$25.00.

(c) Fees for renewal issuances shall be *as follows*:

- (1) Renewal of a certified public accountant certificate for 3 years, \$275.00;
- (2) Renewal of a public accountant license for 3 years, \$275.00;
- (3) Biennial renewal of a permit for a CPA firm shall be \$60.00.

(d) Fees for documents shall be the actual cost of copying and mailing.

(e) All fees shall be in the form of cash, credit card, money order, bank draft, or check made payable to: "Treasurer, State of New Hampshire."

Ac 301.145 License Issuance and Expiration.

(a) The board shall issue each initial licensee whose last name begins with the letters A to F, inclusive, a license that will require renewal at 3 year intervals: *commencing in 2005*.

(b) The board shall issue each initial licensee whose last name begins with the letters G to M, inclusive, a license that will require renewal at 3 year intervals: *commencing in 2006*.

(c) The board shall issue each initial licensee whose last name begins with the letters N to Z, inclusive, a license that will require renewal at 3 year intervals- ***commencing in 2007.***

Readopt Ac 302.01, effective 12/27/07 (Document #9051), as amended effective 1/1/12 (Document #10054) cited and to read as follows:

PART Ac 302 QUALIFICATIONS

Ac 302.01 Initial CPA Applicant Qualifications. To be granted initial certification, CPA applicants shall meet or exceed the minimum qualifications relative to:

- (a) Education as set forth in RSA 309-B:5, III, and Ac 302.02;
- (b) Experience as set forth in RSA 309-B:5, IX or X, and Ac 302.04;
- (c) Examination as set forth in RSA 309-B:5, IV through VI, and Ac 303; and
- (d) Good character as set forth in RSA 309-B:5, II, and Ac 302.054.

Readopt with amendment Ac 302.02, effective 12/27/07 (Document # 9051), and as amended 7/2/13 (Document #10373), to read as follows:

Ac 302.02 CPA Certificate Applicant Education.

(a) Each applicant submitting an application for certification as a CPA shall submit documents demonstrating compliance with the following education requirements in effect in New Hampshire at the time the applicant successfully completed ~~for~~ the exam as follows:

- (1) For applicants who successfully completed the exam ~~on~~ before January 1, 2005, the applicant shall have had at least a baccalaureate degree from an educational institution accredited pursuant to Ac 302.02(b) with at least 24 semester hours in business, including at least 12 semester hours in accounting; and
 - (2) For applicants who successfully completed the exam on or after January 1, 2005, the applicant shall have had at least a baccalaureate degree from an educational institution accredited pursuant to (b) below and at least 120 semester hours of education with at least 24 semester hours in business, including at least 12 semester hours in accounting.
 - (3) Applicants for certification on or after July 1, 2014, shall have at least a baccalaureate degree that includes at least 120 hours pursuant to **Ac** 302.02 (f) from an educational institution accredited pursuant to Ac 302.02 (b), and an additional 30 semester hours of education which shall meet the criteria in Ac 302.02. The total required semester hours of education shall consist of not less than 30 hours in accounting and 24 hours in business courses accredited pursuant to 302.02(b).
- (b) An educational institution shall be considered by the board to be accredited if:
- (1) Approved by a member of a regional or national accrediting agency that is recognized by the United States Department of Education; or
 - (2) Approved by the American Assembly Of Collegiate Schools (AACSB).
- (c) A candidate shall be considered by the board as having graduated from an accredited educational institution if, at the time the educational institution granted the applicant's degree, it was accredited pursuant to (b) above.

(d) If the educational institution was not accredited at the time the applicant's degree was received, but was accredited at the time the application was filed with the board, the institution shall be deemed to be accredited for the purpose of (c) above, provided that the educational institution:

- (1) Certifies that the applicant's total educational program would qualify the applicant for graduation with a baccalaureate degree during the time the institution has been accredited; and
- (2) Furnishes the board with college catalogue course numbers and descriptions that demonstrate that the pre-accreditation courses are substantively equivalent to their analogous post-accreditation courses.

(e) If an applicant's degree was received at an accredited educational institution pursuant to (c) or (d) above, but contained course work taken at a non-accredited institution, such courses shall be deemed to have been taken at the accredited educational institution from which applicant's degree was received, provided the accredited educational institution either:

- (1) Has accepted such courses by including them in its official transcript; or
- (2) Has certified to the board that it will accept such courses for credit toward graduation.

(f) A graduate of a 4-year degree-granting educational institution not accredited at the time applicant's degree was received or at the time the application was filed shall be deemed by the board to be a graduate of an accredited educational institution if all of the following are true:

- (1) A credentials evaluation service approved by the board certifies that the applicant's degree is equivalent to a degree from an accredited educational institution;
- (2) An accredited educational institution has accepted the applicant's non-accredited baccalaureate degree for admission to a graduate business degree program;
- (3) The accredited educational institution certifies that the applicant has been accepted into the graduate program; and
- (4) The applicant has satisfactorily completed at least 120 semester hours, including at least 24 semester hours of business of which 12 shall be in accounting from the baccalaureate or post baccalaureate education.

(g) The board shall deny an application for initial certification if the board determines by a preponderance of the evidence that the applicant has not met the education requirements set forth in RSA 309-B:5, III, and this section.

Readopt Ac 302.03, effective 1/1/12 (Document #10054), to read as follows:

Ac 302.03 Educational Qualifications for CPA Examination. Pursuant to RSA 309-B:5, III (c) on or after July 1, 2014 applicants for the CPA examination required pursuant to RSA 310-B:5 and Ac 303 shall have 120 semester hours of college education including a baccalaureate degree conferred by a college or university accredited pursuant to Ac 302.02 (b). The degree shall include at least 30 semester hours of accounting courses which shall include coverage in financial accounting auditing, taxation, and management accounting and be supplemented by 24 semester hours of business courses other than accounting courses which includes, business law, business information systems, finance, professional ethics, business organizations, and economics.

Readopt with amendment Ac 302.04, effective 12/27/07, (Document #9051) as amended effective 1/1/12 (Document #10054), to read as follows:

Ac 302.04 CPA Certificate Applicant Accounting Experience.

(a) "Accounting or auditing skills" means the provision, under the direction of a licensed CPA, or CA from Australia, CA, CPC or other equivalent foreign designation holder currently licensed in another jurisdiction, of:

(1) One or more of the following public accounting services, as specified by RSA 309-B:5, IX, namely:

- a. Issuance of reports on financial statements;
- b. Management advisory services;
- c. Financial advisory services;
- d. Consulting services;
- e. Preparation of tax returns; or
- f. Furnishing tax advice; or

(2) One or more of the following government accounting services, as specified by RSA 309-B:5, X(a) through (c), namely:

- a. Auditing the tax returns or books and accounts of nongovernmental entities in 3 or more distinct lines of commercial or industrial business in accordance with generally accepted auditing standards;
- b. Auditing the books and accounts or activities of 3 or more governmental agencies or distinct organizational units in accordance with generally accepted auditing standards and reporting on their operations to a third party, to the Congress, or to a state legislature; or
- c. Reviewing financial statements and supporting material covering the financial condition and operations of nongovernmental entities engaged in 3 or more distinct lines of commercial or industrial business under the direction of a licensee to determine the reliability and fairness of the financial reporting and compliance with generally accepted accounting principles and applicable government regulations for the protection of investors and consumers.

(b) Pursuant to RSA 309-B:5, IX, each applicant submitting an ~~a~~Application ~~f~~For ~~i~~Initial ~~e~~Certification as a CPA shall meet the following general experience requirements:

(1) Such experience shall be earned prior to the date that the candidate applies for certification in New Hampshire.

(2) Compliance with one of the following:

- a. A minimum of 2 years' experience in accounting for an applicant with a baccalaureate degree; or
- b. A minimum of one years' experience in accounting for an applicant with a master's degree in:
 - 1. Accounting;
 - 2. Taxation;
 - 3. Finance; or
 - 4. Business administration; *and*

- c. A minimum of one year's experience in accounting for an applicant on or after July 1, 2014 that meets the educational requirements of Ac 302.02 (4) and RSA 309-B-5.

(c) For full-time accounting employees, each year's experience shall consist of 12 calendar months as an employee under the direction of a licensed CPA, CA, CPC or other equivalent foreign designation holder, and shall include at least 1,500 hours of service solely involving the use of accounting or auditing skills, as defined in Ac 302.04(a)(1)a. – f.

(d) For non-full time accounting employees, each year's experience shall consist of 2,080 hours of accounting practice under the supervision of a licensed CPA, CA, CPC or other equivalent foreign designation holder, and shall include at least 1,500 hours of services solely involving accounting or auditing skills, as defined in Ac 302.04 (a)(1)a. – f. For purposes of determining the amount of experience, the board shall accept only accounting and auditing services rendered in the 6 years immediately preceding the application if the applicant has a baccalaureate degree and 5 years immediately preceding the application if the applicant has a master's degree.

(e) For purposes of (c) and (d) above, no experience shall be counted being under the direction of a licensed CPA, CA, CPC or other equivalent foreign designation holder unless such licensee has the authority to review, direct and evaluate on a continuing basis the accounting activities of those who are under the licensee's professional accounting control.

(f) The applicant shall demonstrate that the minimum required experience in accounting has been fulfilled by the applicant through the submission of a fully completed ~~p~~**Public** ~~a~~**Accounting** ~~e~~**Experience** ~~v~~**Verification** ~~f~~**Form** as described in Ac 301.07 for public accounting experience, a fully completed ~~g~~**Governmental** ~~a~~**Accounting** ~~e~~**Experience** ~~v~~**Verification** ~~f~~**Form** as described in Ac 301.08 for governmental accounting experience, or a combination of them.

(g) The applicant shall arrange for the supervising CPA, CA, CPC or other equivalent foreign designation holder to provide documentation, such as working papers or audit programs, to the board or its representative for the purpose of determining the applicant's compliance with the experience requirements set forth in RSA 309-B:5, IX and X, and this section.

(h) The board shall inspect, either by the board itself or by its representative, documentation relating to an applicant's claimed experience, in which case any licensee having custody of such documentation shall be requested to produce it either in writing or in person.

(i) Any New Hampshire licensee who has been requested to submit or make evidence of the applicant's experience available to the board or its representative but who has failed or refused to do so shall explain to the board either in writing or in person the basis for such refusal. A non-New Hampshire licensee who so fails or refuses shall be requested by the board to explain, in writing, such failure or refusal.

(j) The failure or refusal of a New Hampshire CPA to provide full and correct information as required herein shall, pursuant to RSA 309-B:11, I, serve as a basis for disciplinary proceedings against the CPA. The failure or refusal of a non-New Hampshire licensee to provide full and correct information as requested by the board shall be brought to the attention of the licensing body of the non-New Hampshire licensee.

(k) The board shall deny an application for certificate if the board finds that the applicant has not met the experience requirements set forth in RSA 309-B:5, IX or X, and this section.

Readopt Ac 302.05 and Ac 302.06, effective 12/27/07 (Document #9051), to read as follows:

Ac 302.05 Character.

(a) "Dishonest act," means any course of conduct involving intentional deception by the applicant, whether in the course of employment or as private conduct, and includes violation of any professional code of

ethics or conduct to which the applicant is required to adhere provided such actual violation relates to dishonesty.

(b) “Good character” means “good character” as defined in RSA 309-B:5, II, namely, “the lack of a history of dishonest or felonious acts.”

(c) “History” means:

- (1) Conviction at any time of a felony that has not been annulled by a court of competent jurisdiction;
- (2) Conviction within the year immediately preceding the application of any offense or misdemeanor involving a dishonest act that has not been annulled by a court of competent jurisdiction;
- (3) Conviction within the 5 years immediately preceding the application of 2 offenses, misdemeanors, or both, involving dishonest acts and that have not been annulled by a court of competent jurisdiction; or
- (4) Conviction within the 10 years immediately preceding the application of 3 or more offenses, misdemeanors, or both, involving dishonest acts.

(d) The board shall deny an application for a certificate if the board finds by clear and convincing evidence that the applicant is not of good character.

(e) When an applicant is found to be unqualified for a certificate because of a lack of good character, the board shall furnish the applicant:

- (1) A statement containing the findings of the board;
- (2) A complete record of the evidence upon which the determination was based; and
- (3) A notice of the applicant’s right of appeal under Ac 200.

Ac 302.06 CPA Certificate Applicant Personal Appearance. The board shall require any person making any application under Ac 301.02 to appear personally before the board or a designated member of the board to provide clarification or additional information concerning the applicant's application and qualifications, if the information in the application is incomplete or unclear in its final form.

Readopt with amendment Ac 302.07 and Ac 303.01, effective 12/27/07 (Document #9051), as amended effective 1/1/12 (Document #10054), to read as follows:

Ac 302.07 CPA Firms.

(a) A CPA firm shall be granted a permit to practice as a CPA firm in New Hampshire if the applicant CPA firm meets the requirements of this section.

(b) The applicant CPA firm shall file with the board a CPA ~~Firm~~ ~~a~~Application ~~f~~Form as described in Ac 301.11 and any supporting data, documents, or information, required pursuant to Ac 301.10 through Ac 301.12. Such documentation shall demonstrate that the firm meets all statutory and rule requirements without demonstrating that any basis for denial of the permit exists.

(c) The applicant CPA firm shall demonstrate, pursuant to RSA 309-B:8, I, that it has or will have a physical presence in New Hampshire by a date certain specified by the applicant CPA firm. Each CPA firms’ primary office doing business in New Hampshire shall be registered with the board.

(d) If the applicant CPA firm specifies a date by which it will have a physical presence in New Hampshire, pursuant to (c) above, the permit shall become effective on the date of issuance of the permit or

the date that the applicant specifies that it will have a physical presence in New Hampshire, whichever is later.

(e) The applicant CPA firm shall demonstrate that at least a simple majority of the ownership of the firm belongs to those who are certified in New Hampshire or have practice privileges under RSA 309-B:6, I.

(f) The applicant CPA firm shall demonstrate that any individual CPA who is responsible for supervising attest services or authorizes someone to sign the accountant's report on the financial statements on behalf of the firm, meets the experience requirements set forth in RSA 309-B:8, III(c).

(g) The applicant CPA firm shall demonstrate, through the peer review affidavit required pursuant to Ac 301.12, that it is in compliance with any applicable provision of Ac 405 relative to peer review.

(h) The applicant CPA firm shall submit a copy of the most recent peer review letter obtained in compliance with Ac 405.02, if the CPA firm has been issuing reports for 3 or more years. If the letter indicates that the CPA firm has received an unqualified peer review report, the CPA firm shall be determined by the board to be in compliance with Ac 405.

(i) If the applicant CPA firm has received an adverse or qualified peer review report, the affidavit required pursuant to (g) above shall indicate that fact as well as the date by which the CPA firm expects to be able to submit to the board an unqualified peer review report after taking the steps necessary to address the bases of the adverse or qualified peer review report. The board shall issue a conditional permit that shall become unconditional upon the CPA firm timely submitting the subsequent unqualified peer review letter. However, no conditional permit shall remain in effect for longer than one year.

(j) The applicant CPA firm shall submit the application fee required pursuant to RSA 309-B:8, V and as specified in Ac 301.134.

(k) The board shall conclude that a basis for denial exists if any of the following are determined by the board to be true:

- (1) Any CPA who will service clients in New Hampshire is not of good character as set forth in Ac 302.04;
- (2) The CPA firm is not of good character as set forth in Ac 302.04;
- (3) The CPA firm has engaged in activities that subject it to the peer review requirements of Ac 405 but:
 - a. The CPA firm has submitted a peer review report letter that indicated that the firm has received either an adverse or qualified peer review report; and
 - b. The peer review report indicates that corrective action cannot be expected to be completed within 18 months of the issuance of such adverse or qualified peer review report;
- (4) The CPA firm has submitted materially inaccurate or materially incomplete application materials; and
- (5) The CPA firm has failed to submit the required fee.

PART Ac 303 EXAMINATION

Ac 303.01 Scope.

- (a) The provisions of Ac 303.02 through Ac 303.04 shall apply only to:

(1) Applicants for examination as a CPA who do not hold licensure as a CPA, CA, CPC or other equivalent foreign designation holder in Canada, Ireland, Australia, New Zealand, Certified Public Accountant in Hong Kong or other foreign country; and

(2) Applicants who hold licensure as a CPA from any jurisdiction in the United States and seek to become a CPA licensed in New Hampshire.

(b) The provisions of Ac 303.05 through Ac 303.07 shall apply only to applicants for certification as a CPA who hold licensure as a CPA or its foreign equivalent, and do not hold licensure in any jurisdiction in the United States or its Territories.

Readopt Ac 302.02, effective 12/27/07, (Document #9051), as amended effective 1/1/12 (Document #10054) to read as follows:

Ac 303.02 CPA Examination Required.

(a) Every applicant for examination as a CPA, whether for initial certification or through reciprocity, shall take and pass, with a grade of 75 or above, each section of the Uniform Certified Public Accountant Examination and Advisory Grading Service (examination) of the American Institute of Certified Public Accountants (AICPA) as specified by RSA 309-B:5, IV. The examination shall be administered by the National Association of State Boards of Accountancy (NASBA).

(b) Pursuant to RSA 309-B:5, V, the applicant examinee shall be required to pass all sections of the examination within any 18-month period. Such period shall commence on the date of the examination at which the first section was passed.

(c) Pursuant to RSA 309-B:5, V, no section passed more than 18 months prior to an applicant examinee passing the remaining sections shall be recognized for the purpose of determining (a) and (b) above unless the applicant requests and obtains a waiver from the board, pursuant to (d) below. Each section passed more than 18 months prior, and only such section or sections, shall be retaken and passed again by the applicant examinee within another 18-month period to be recognized for the purpose of determining compliance with (a) and (b) above.

(d) An applicant examinee who requests a waiver of the 18-month period limitation for passing the examination pursuant to (c) above shall provide the following to the board in support of such request:

(1) The applicant's name and the address and telephone number at which the applicant can be reached;

(2) A list of dates on which all previous attempts at passing the examination were made by the applicant examinee, including the results of each such attempt;

(3) A statement of the circumstances that caused the applicant examinee to be unable to meet the requirements for passing all sections of the examination within the 18-month period; and

(4) Any other information the applicant examinee believes is relevant.

(e) The board shall grant a waiver of the 18-month limitation if it determines that the applicant examinee:

(1) Submitted a complete request pursuant to (d) above; and

(2) Circumstances beyond the control of the applicant examinee rendered him or her unable to meet the requirements for passing all sections of the examination within the 18-month period.

(f) To arrange to sit for the examination, each applicant shall:

(1) Contact NASBA to:

- a. Obtain examination application materials prepared by NASBA;
 - b. Obtain logistical information such as examination dates and locations; and
 - c. Determine the examination fee that is payable to NASBA;
- (2) Complete the NASBA examination application process, including payment of the examination fee to NASBA;
- (3) Direct all communication regarding all aspects of the administration of the examination to NASBA, except that communications regarding conflicts between the applicant and NASBA that have not been resolved shall be directed to the board.

Readopt Ac 303.03 and Ac 303.04, effective 12/27/07 (Document #9051), to read as follows:

Ac 303.03 CPA Examination Subjects. The examination shall test each applicant examinee's knowledge in the following subjects:

- (a) Auditing and attestation, which shall cover knowledge and skills related to:
 - (1) Planning the engagement;
 - (2) Internal controls;
 - (3) Obtaining and documenting information;
 - (4) Reviewing engagement and evaluating information; and
 - (5) Preparing communications;
- (b) Business environments and concepts, which shall cover knowledge and skills related to:
 - (1) Business structure;
 - (2) Economic concepts;
 - (3) Financial management;
 - (4) Information technology; and
 - (5) Planning and measurement;
- (c) Financial accounting and reporting, which shall cover knowledge and skills related to:
 - (1) Concepts and standards for financial statements;
 - (2) Typical items in financial statements;
 - (3) Specific types of transactions and events;
 - (4) Accounting and reporting for governmental entities; and
 - (5) Accounting and reporting for nongovernmental and not-for-profit organizations; and
- (d) Regulation, which shall cover knowledge and skills related to:
 - (1) Ethics and professional responsibility;
 - (2) Business law;

- (3) Federal tax procedures and accounting issues;
- (4) Federal taxation of property transactions;
- (5) Federal taxation of individuals; and
- (6) Federal taxation of entities.

Ac 303.04 Conduct During CPA Examination.

(a) If, after notice and opportunity for a hearing, pursuant to Ac 200, the board determines that a candidate cheated during the examination, he or she shall be prohibited from sitting for the examination for a period of 5 years.

(b) Conduct considered by the board to be cheating shall include, but not be limited to, the following:

- (1) Conduct which violates the security of the examination materials, such as removing any examination materials from the examination room;
- (2) Selling, distributing, buying, receiving or having unauthorized possession of any portion of a future or current licensing CPA examination;
- (3) A second instance of being found in possession of any item prohibited pursuant to (d) below;
- (4) Conduct which violates the standards of test administration, including but not limited to:
 - a. Communicating in any way with any other examinee during the administration of the CPA examination;
 - b. Copying answers from another examinee; or
 - c. Permitting one's answers to be copied by another examinee during the administration of the CPA examination;
 - d. Giving or receiving assistance in answering any examination question, problem, or simulation;
 - e. Reading examination questions, problems, or simulations aloud;
 - f. Engaging in conduct which has the effect of interfering with the administration of the examination or unreasonably interfering with any other candidate's ability to concentrate on the examination;
- (5) Having in one's possession during the administration of the licensing examination any materials or data of any kind, relative to the subject matter being tested other than the examination materials provided;
- (6) Conduct which violates the credentialing process, such as falsifying or misrepresenting education credentials or other information required for admission to the CPA examination; and
- (7) Impersonating an examinee or having an impersonator take the CPA examination on one's own behalf.

(c) Each candidate shall enter the examination area with only the clothes he or she is wearing and shall not bring into the examination area any other item that could be used to facilitate cheating. Candidates shall not access such items during breaks in the examination.

(d) Items that are prohibited because they could be used for cheating or compromising the security of the examination shall include but not be limited to:

- (1) Books of any kind, including dictionaries, personal planners or organizers, and religious texts;
- (2) Magazines, newspapers, or publications of any kind, regardless of format;
- (3) Papers, pads, or notebooks of any kind that have not been provided by a test proctor;
- (4) Outlines, notes, or study materials of any kind;
- (5) Rulers or slide rules;
- (6) Briefcases, handbags, back- or fanny-packs;
- (7) Wallets or purses;
- (8) Containers of any kind, including plastic bags, eyeglass cases, and boxes;
- (9) Food or beverages of any kind, regardless of how packaged;
- (10) Tobacco products of any kind;
- (11) Calculators of any kind, including those that are part of or contained in another device, whether electronic or mechanical, that have not been provided by a test proctor;
- (12) Watches, clocks, or timers of any kind;
- (13) Computers of any kind, including personal digital assistants;
- (14) Electronic devices of any kind, including mp3 players or recorders, compact disc players or recorders, and tape players or recorders;
- (15) Cameras of any kind, including those that are part of cellular phones;
- (16) Photographic or scanning devices of any kind, whether still or video;
- (17) Telephones of any kind, including cellular or satellite phones;
- (18) Radios of any kind, including radios that receive, transmit, or both;
- (19) Pagers or beepers of any kind;
- (20) Writing implements, including pens, pencils, pencil sharpeners, and erasers, that have not been provided by a test proctor;
- (21) Headsets, earphones, earmuffs, or earplugs of any kind, that have not been provided by a test proctor;
- (22) Non-prescription sunglasses;
- (23) Visors, hats, or head coverings not worn for religious reasons;
- (24) Pendant necklaces, large earrings, or pendant bracelets;
- (25) Any clothing that is carried but not worn during the entire examination;
- (26) Umbrellas; and
- (27) Weapons of any kind, regardless of any permits that the candidate possesses.

(e) Examination proctors shall not let a candidate enter the examination area while such candidate is in possession of any prohibited items listed in (d) above. If a proctor discovers any prohibited item(s) at the

time of entrance, the item shall be confiscated by the proctor, and such confiscation shall be considered one instance of being in possession of a prohibited item for purposes of (b)(3) above.

(f) Any examinee who does not follow the test center's regulations may be dismissed from the examination site by test center staff or have their examination scores cancelled. The board shall provide the examinee with the opportunity for an adjudicative hearing before the board regarding the alleged violation. After the entry of a decision by the board that concludes that the alleged violation occurred, or, if the examinee fails to avail him- or herself of the right to a hearing, the examinee's test scores shall be canceled by the board if the examinee was not dismissed and completed the examination. In the event that the board concludes that the alleged violation did not occur, then the examinee's test scores shall stand. If the board concludes that a violation did not occur and the examinee had been dismissed from the test center before completing the examination, the examinee shall be rescheduled for examination and shall not pay an examination fee to take such examination.

Readopt with amendment Ac 303.05, effective 12/27/07, (Document #9051), as amended effective 1/1/12 (Document #10054) to read as follows:

Ac 303.05 International Qualifications Examination (IQEX) Required.

(a) Pursuant to RSA 309-B:7, X(c)(3), every applicant for certification as a CPA who hold licensure as a CPA, CA, CPC or other equivalent foreign designation holder in Canada, Ireland, Australia, New Zealand, Hong Kong or other foreign country shall take and pass, with a grade of 75 or above, each section of the International Qualifications Examination (IQEX) administered by NASBA.

(b) To sit for the IQEX, each Canadian CA shall:

- (1) Have passed the Uniform Final Examination in Canada;
- (2) Be a member in good standing with a Provincial CA Institute; and
- (3) Not have qualified as a Canadian CA on the basis of recognition of credentials earned in any other country.

(c) To sit for the IQEX, each Irish CA shall:

- (1) Meet the education and experience requirements of the Institute of CAs in Ireland;
- (2) Have passed the Institute of Chartered Accountants Final Admitting Examination;
- (3) Be a member in good standing with the Institute of Chartered Accountants in Ireland; and
- (4) Not have qualified as an Irish CA on the basis of recognition of credentials earned in any other country.

(d) To sit for the IQEX, each Australian CA shall:

- (1) Meet the education and experience requirements of the Institute of Chartered Accountants in Australia, including having completed their education program in Australia;
- (2) Be a member in good standing with the Institute of Chartered Accountants in Australia;
- (3) Not have qualified as an Australian CA on the basis of recognition of credentials earned in any other country.

(e) To sit for the IQEX, each Mexican CPC shall:

- (1) Have qualified as CPC with the Mexican *Direccion General de Profesiones de la Secretaria de Educacion Publica*;

- (2) Meet the education and experience requirements of the *Instituto Mexicano de Contadores Publicos* (ICMP);
 - (3) Be members in good standing with the ICMP;
 - (4) Have passed the *Examen Uniforme de Certificacion de la Contaduria Publica* in Mexico or have been a member in good standing of the ICMP as of September 27, 2002;
 - (5) Not have qualified as a CPC on the basis of recognition of credentials earned in any other country.
- (f) To sit for the IQEX, each New Zealand CA shall:
- (1) Meet the education and experience requirements of the New Zealand Institute of Chartered Accountants (NZICA) in New Zealand;
 - (2) Be members in good standing with the New Zealand Institute of Chartered Accountants; and
 - (3) Not have qualified as a CPC on the basis of recognition of credentials earned in any other country.
- (g) To sit for the IQEX, each Hong Kong CPA shall:
- (1) Be a member of the Hong Kong Institute of CPAs who qualified by completing the Qualification Programme (QP) in full;
 - (2) Meet the education requirements of the Hong Kong Institute of CPAs (HKICPA) in Hong Kong; ~~and~~
 - (3) Be members in good standing with the Hong Kong Institute of CPAs; *and*
 - (4) Not have qualified as a Hong Kong CPA on the basis of recognition of credentials earned in any other country; ~~or~~
 - (5) Meet the education requirements of the Hong Kong Institute of CPAs (HKICPA) in Hong Kong;
 - ~~(2) Be members in good standing with the Hong Kong Institute of CPAs on or before December 31, 2001; and~~
 - ~~(6) Not have qualified as a Hong Kong CPA on the basis of recognition of credentials earned in any other country.~~
- (h) To sit for the IQEX, each other equivalent foreign designation holder shall meet the requirements established by NASBA;
- (i) To arrange to sit for the examination, each applicant shall:
- (1) Contact NASBA to:
 - a. Obtain IQEX application materials prepared by NASBA;
 - b. Obtain logistical information such as IQEX dates and locations; and
 - c. Determine the IQEX fee that is payable to NASBA;
 - (2) Complete the NASBA IQEX examination application process, including payment of the IQEX fee to NASBA; *and*

(3) Direct all communication regarding all aspects of the administration of the IQEX to NASBA, except that communications regarding conflicts between the applicant and NASBA that have not been resolved shall be directed to the board.

Readopt Ac 303.06 – Ac 304.02, effective 12/27/07, (Document #9051), to read as follows:

Ac 303.06 **IQEX Subjects.** The IQEX shall test each applicant examinee's knowledge in the following subjects:

- (a) Ethics and professional and legal responsibilities;
- (b) Business law;
- (c) Federal tax procedures and accounting issues;
- (d) Federal taxation of property transactions;
- (e) Federal taxation of individuals;
- (f) Federal taxation of entities;
- (g) Business structures;
- (h) Accounting and reporting for governmental entities and for nongovernmental not-for-profit organizations; and
- (i) Recent regulatory issues.

Ac 303.07 **Conduct During IQEX.**

(a) If, after notice and opportunity for a hearing, pursuant to Ac 200, the board determines that a candidate cheated during the examination, he or she shall be prohibited from sitting for the examination for a period of 5 years.

(b) Conduct considered cheating by the board shall include, but not be limited to, the following:

- (1) Conduct which violates the security of the examination materials, such as removing any examination materials from the examination room;
- (2) Selling, distributing, buying, receiving or having unauthorized possession of any portion of a future or current licensing IQEX examination;
- (3) A second instance of being found in possession of any item prohibited pursuant to (c) and (d) below;
- (4) Conduct which violates the standards of test administration, including but not limited to:
 - a. Communicating in any way with any other examinee during the administration of the IQEX examination;
 - b. Copying answers from another examinee; or
 - c. Permitting one's answers to be copied by another examinee during the administration of the IQEX examination;
 - d. Giving or receiving assistance in answering any examination question, problem, or simulation;

e. Reading examination questions, problems, or simulations aloud; *and*

f. Engaging in conduct which has the effect of interfering with the administration of the examination or unreasonably interfering with any other candidate's ability to concentrate on the examination;

(5) Having in one's possession during the administration of the licensing examination any materials or data of any kind, relative to the subject matter being tested other than the examination materials provided;

(6) Conduct which violates the credentialing process, such as falsifying or misrepresenting education credentials or other information required for admission to the IQEX examination; and

(7) Impersonating an examinee or having an impersonator take the IQEX examination on one's own behalf.

(c) Each candidate shall enter the examination area with only the clothes he or she is wearing and shall not bring into the examination area any other item which could be used to facilitate cheating. Candidates shall not access such items during breaks in the examination.

(d) Items that might be used for cheating or compromising the security of the examination shall include but not be limited to:

(1) Books of any kind, including dictionaries, personal planners or organizers, and religious texts;

(2) Magazines, newspapers, or publications of any kind, regardless of format;

(3) Papers, pads, or notebooks of any kind that have not been provided by a test proctor;

(4) Outlines, notes, or study materials of any kind;

(5) Rulers or slide rules;

(6) Briefcases, handbags, back- or fanny-packs;

(7) Wallets or purses;

(8) Containers of any kind, including plastic bags, eyeglass cases, and boxes;

(9) Food or beverages of any kind, regardless of how packaged;

(10) Tobacco products of any kind;

(11) Calculators of any kind, including those that are part of or contained in another device, whether electronic or mechanical, that have not been provided by a test proctor;

(12) Watches, clocks, or timers of any kind;

(13) Computers of any kind, including personal digital assistants;

(14) Electronic devices of any kind, including mp3 players or recorders, compact disc players or recorders, and tape players or recorders;

(15) Cameras of any kind, including those that are part of cellular phones;

(16) Photographic or scanning devices of any kind, whether still or video;

(17) Telephones of any kind, including cellular or satellite phones;

- (18) Radios of any kind, including radios that receive, transmit, or both;
- (19) Pagers or beepers of any kind;
- (20) Writing implements, including pens, pencils, pencil sharpeners, and erasers, that have not been provided by a test proctor;
- (21) Headsets, earphones, earmuffs, or earplugs of any kind, that have not been provided by a test proctor;
- (22) Non-prescription sunglasses;
- (23) Visors, hats, or head coverings not worn for religious reasons;
- (24) Pendant necklaces, large earrings, or pendant bracelets;
- (25) Any clothing that is carried but not worn during the entire examination;
- (26) Umbrellas; and
- (27) Weapons of any kind, regardless of any permits that the candidate possesses.

(e) Examination proctors shall not let a candidate enter the examination area while such candidate is in possession of any such item. If a proctor discovers any prohibited item(s) at the time of entrance, the item shall be confiscated by the proctor, and such confiscation shall be considered one instance of being in possession of a prohibited item for purposes of (b)(3) above.

PART Ac 304 RECIPROCITY

Ac 304.01 Domestic Reciprocity CPA Certificate Applicant Qualifications. To be granted certification through reciprocity, applicants shall hold a current license in good standing from another state, territory or other jurisdiction within the United States and meets or exceeds the minimum qualifications relative to:

- (a) Education as set forth in RSA 309-B:5, III, Ac 304.03(a);
- (b) Experience as set forth in RSA 309-B:5, IX or X, and Ac 304.04;
- (c) Examination as set forth in RSA 309-B:5, IV through VII, and Ac 303;
- (d) Good character as set forth in RSA 309-B:5, II, and Ac 304.06; and
- (e) Continuing professional education as required by RSA 309-B:7, VII, and as set forth in Ac 403.

Ac 304.02 Domestic Substantial Equivalency. Any applicant for certification in New Hampshire based on reciprocity who does not meet the experience provisions of Ac 301.07 shall nonetheless qualify for certification if any of the following are true:

- (a) The applicant meets all current requirements of New Hampshire for the issuance of a certificate at the time application is made;
- (b) At the time of the issuance of the CPA license in the other United States state, territory or jurisdiction, the applicant met all such requirements then applicable in New Hampshire; or
- (c) The applicant has:
 - (1) Acquired at least 4 years' experience outside New Hampshire in the practice of public accountancy after passing the examination upon which the applicant's certificate was based; and

- (2) The experience required pursuant to (1) above was acquired within the 10 years immediately preceding the application.

Readopt with amendment Ac 304.03, effective 12/27/07 (Document #9051), and as amended effective 7/2/13, (Document #10373), to read as follows:

Ac 304.03 Domestic Reciprocity CPA Certificate Applicant Education.

(a) Each applicant submitting an application for certification as a CPA through reciprocity shall submit documents demonstrating compliance with the following education requirements in effect in New Hampshire at the time the applicant successfully completed the exam as follows:

- (1) For applicants who successfully completed the exam before January 1, 2005, the applicant shall have had at least a baccalaureate degree from an educational institution accredited pursuant to Ac 302.02(b) with at least 24 semester hours in business, including at least 12 semester hours in accounting; and
- (2) For applicants who successfully completed the exam on or after January 1, 2005, the applicant shall have had at least a baccalaureate degree from an educational institution accredited pursuant to Ac 302.02(b) and at least 120 semester hours of education with at least 24 semester hours in business, including at least 12 semester hours in accounting.
- (3) Applicants for certification by reciprocity on or after July 1, 2014, shall have at least a baccalaureate degree that includes at least 120 hours pursuant to Ac 302.02 (f) from an educational institution accredited pursuant to Ac 302.02 (b), and an additional 30 semester hours of education which shall meet the criteria in Ac 302.02. The total required semester hours of education shall consist of not less than 30 hours in accounting and 24 hours in business courses accredited pursuant to 302.02(b).

(b) Each applicant submitting an application for certification as a CPA through reciprocity shall submit as part of the application documents demonstrating compliance with continuing professional education required by RSA 309-B:7, VII, and as set forth in Ac 403.

(c) The board shall deny an application for certification through reciprocity if the board determines by a preponderance of the evidence that the applicant has not met the education requirements set forth in (a) and (b) above.

Readopt with amendment, Ac 304.04, effective 12/27/07, (Document #9051), as amended effective 1/1/12 (Document #10054), to read as follows:

Ac 304.04 Domestic Reciprocity CPA Applicant Accounting Experience.

(a) "Accounting or auditing skills" means the provision, under the direction of a CPA, or CA from Australia, CA, CPC or other equivalent foreign designation holder currently licensed in another jurisdiction, of:

- (1) One or more of the following public accounting services, as specified by RSA 309-B:5, IX, namely:
 - a. Issuance of reports on financial statements;
 - b. Management advisory services;
 - c. Financial advisory services;
 - d. Consulting services;

- e. Preparation of tax returns; or
- f. Furnishing tax advice; or

(2) One or more of the following government accounting services, as specified by RSA 309-B:5, X(a) through (c), namely:

- a. Auditing the tax returns or books and accounts of nongovernmental entities in 3 or more distinct lines of commercial or industrial business in accordance with generally accepted auditing standards;
- b. Auditing the books and accounts or activities of 3 or more governmental agencies or distinct organizational units in accordance with generally accepted auditing standards and reporting on their operations to a third party, to the Congress, or to a state legislature; or
- c. Reviewing financial statements and supporting material covering the financial condition and operations of nongovernmental entities engaged in 3 or more distinct lines of commercial or industrial business under the direction of a licensee to determine the reliability and fairness of the financial reporting and compliance with generally accepted accounting principles and applicable government regulations for the protection of investors and consumers.

(b) Pursuant to RSA 309-B:5, IX, each applicant submitting an application for certification as a CPA through reciprocity, shall meet the following general experience requirements:

(1) A minimum of 2 years' experience in accounting for an applicant with a baccalaureate degree in:

- a. Accounting;
- b. Taxation;
- c. Finance; or
- d. Business administration;~~;~~ **and**

(2) A minimum of one year's experience in accounting for an applicant with a master's degree in:

- a. Accounting;
- b. Taxation;
- c. Finance; or
- d. Business administration;~~;~~ **and**

(3) A minimum of one year's experience in accounting for an applicant on or after July 1, 2014 that meets the educational requirements of Ac 302.02 (4) and RSA 309-B, 5.

(c) For full-time accounting employees, each year's experience shall consist of 12 calendar months as an employee under the supervision of a licensed CPA, CA, CPC or other equivalent foreign designation holder, and shall include at least 1,500 hours of service solely involving the use of accounting or auditing skills.

(d) For non-full time accounting employees, each year's experience shall consist of 2,080 hours of employment employee under the supervision of a licensed CPA, CA, CPC or other equivalent foreign designation holder, and shall include at least 1,500 hours of services solely involving accounting or auditing

skills in a period no shorter than 12 calendar months. For purposes of determining the amount of experience, the board shall accept only accounting and auditing services rendered in the 6 years immediately preceding the application if the applicant has a baccalaureate degree and 5 years immediately preceding the application if the applicant has a master's degree.

(e) For purposes of (c) and (d) above, no experience shall be counted being under the direction of a licensed CPA, CA, CPC or other equivalent foreign designation holder unless such licensee has the authority to review, direct and evaluate on a continuing basis the accounting activities of those who under licensee's professional accounting control.

(f) The applicant shall demonstrate that the minimum required experience in accounting has been fulfilled by the applicant through the submission of a fully completed ~~p~~**P**ublic ~~a~~**A**ccounting ~~e~~**E**xperience ~~v~~**V**erification ~~f~~**F**orm as described in Ac 301.07 for public accounting experience, a fully completed ~~g~~**G**overnmental ~~a~~**A**ccounting ~~e~~**E**xperience ~~v~~**V**erification ~~f~~**F**orm as described in Ac 301.08 for governmental accounting experience, or a combination of them.

(g) The applicant shall arrange for the supervising CPA, CA, CPC or other equivalent foreign designation holder to provide documentation, such as working papers or audit programs, to the board or its representative for the purpose of determining the applicant's compliance with the experience requirements set forth in RSA 309-B:5, IX and X, and this section.

(h) The board shall inspect, either by the board itself or by its representative, documentation relating to an applicant's claimed experience, in which case any licensee having custody of such documentation shall be requested to produce it either in writing or in person.

(i) Any New Hampshire licensee who has been requested to submit or make evidence of the applicant's experience available to the board or its representative but who has failed or refused to do so shall explain to the board either in writing or in person the basis for such refusal. A non-New Hampshire licensee who so fails or refuses shall be requested by the board to explain, in writing, such failure or refusal.

(j) The failure or refusal of a New Hampshire CPA to provide full and correct information as required herein shall, pursuant to RSA 309-B:11, I, serve as a basis for disciplinary proceedings against the CPA. The failure or refusal of a non-New Hampshire licensee to provide full and correct information as requested by the board shall be brought to the attention of the licensing body of the non-New Hampshire licensee.

(k) The board shall deny an application for certificate if the board finds that the applicant has not met the experience requirements set forth in RSA 309-B:5, IX and X, and this section.

Readopt Ac 304.05, effective 12/27/07, (Document #9051), as amended effective 1/1/12 (Document #10054) to read as follows:

Ac 304.05 International Reciprocity.

(a) A person who holds a foreign professional license equivalent to a CPA certificate may apply for certification in New Hampshire as a CPA through reciprocity.

(b) To qualify for reciprocity, the foreign-credentialed applicant shall:

- (1) Have a current credential in good standing that has been issued by a foreign authority that regulates the practice of public accountancy in that country;
- (2) Have been granted such credential by a foreign authority that recognizes certificates issued by New Hampshire for purposes of reciprocal licensure in that country;
- (3) Be entitled under the foreign credential to issue reports upon financial statements;

- (4) Demonstrate that the foreign credential was issued upon the basis of examination, experience and education established by the foreign authority or applicable foreign law;
- (5) Demonstrate that he or she received the foreign credential based on educational and examination standards that are substantially equivalent to those that were or are in effect in New Hampshire at the time such foreign credential was issued;
- (6) Demonstrate acquisition of experience that shall satisfy one of the following:
 - a. The applicant shall have acquired experience that is substantially equivalent to the requirements of RSA 309-B:5, IX and X and Ac 302.04 in the jurisdiction that granted the credential;
 - b. The applicant shall have acquired at least 4 years' professional accounting experience in New Hampshire; or
 - c. The applicant shall have acquired a combination of 5 years' foreign and New Hampshire professional accounting experience; and
- (7) The applicant takes and passes the examination required pursuant to Ac 303.05.
- (c) The board shall designate a professional accounting credential issued in a foreign country as substantially equivalent to a CPA certificate if the requirements of this section and RSA 309-B:7, X are met.
- (d) The board shall rely on the National Association of State Boards of Accountancy, the American Institute of Certified Public Accountants for evaluation of foreign credential equivalency.
- (e) A foreign-credentialed applicant who meets the requirements of (c) and (d) above shall satisfy the good character requirement of RSA 309-B:5, II and Ac 304.06.
- (f) The board shall issue a CPA certificate to an applicant for certification by international reciprocity if the applicant meets all the requirements of this section.

Readopt Ac 304.06 and Ac 304.07, effective 12/27/07 (Document #9051), to read as follows:

Ac 304.06 Character.

- (a) "Dishonest act," means any course of conduct involving intentional deception by the applicant, whether in the course of employment or as private conduct, and includes violation of any professional code of ethics or conduct to which the applicant is required to adhere, provided such actual violation relates to dishonesty.
- (b) "Good character" means "good character" as defined in RSA 309-B:5, II, namely, "the lack of a history of dishonest or felonious acts."
- (c) "History" means:
 - (1) Conviction at any time of a felony that has not been annulled by a court of competent jurisdiction;
 - (2) Conviction within the year immediately preceding the application of any offense or misdemeanor involving a dishonest act that has not been annulled by a court of competent jurisdiction;
 - (3) Conviction within the 5 years immediately preceding the application of 2 offenses, misdemeanors, or both, involving dishonest acts and that have not been annulled by a court of competent jurisdiction; or

(4) Conviction within the 10 years immediately preceding the application of 3 or more offenses, misdemeanor, or both, involving dishonest acts.

(d) The board shall deny an application for a certificate through domestic or foreign reciprocity if the board finds by clear and convincing evidence that the applicant is not of good character.

(e) When an applicant is found to be unqualified for a certificate because of a lack of good character, the board shall furnish the applicant:

- (1) A statement containing the findings of the board;
- (2) A complete record of the evidence upon which the determination was based; and
- (3) A notice of the applicant's right of appeal under Ac 200.

Ac 304.07 CPA Applicant Personal Appearance. The board shall require any person making any application under Ac 304.01 or Ac 304.05 to appear personally before the board or a designated member of the board to provide clarification or additional information concerning the applicant's application and qualifications, if the information in the application is incomplete or unclear in its final form.

Readopt Ac 305, effective 1/1/12 (Document #10054), to read as follows:

PART Ac 305 CREDENTIALS

Ac 305.01 License. An applicant for a certificate to practice as a CPA in New Hampshire, who has met satisfactorily all the requirements for licensure of RSA 309-B and who has paid all of the fees, shall be issued a license by the board. The licensee shall be issued a license authorizing the practice of accounting that shall show the name of the licensee, shall have a license number, and shall be sealed and signed by members of the board.

Ac 305.01 Pocket Cards. Triennially, the board shall issue a pocket card upon receipt of the triennial renewal form and fee. The card shall certify that the CPA/PA holds a license in good standing and is authorized to practice accounting to the date of expiration as shown on the card.

Readopt with amendment Ac 401.01, effective 12/27/07, (Document #9051), to read as follows:

CHAPTER Ac 400 CONTINUED STATUS

PART Ac 401 RENEWAL

Ac 401.01 Renewal Process Overview.

(a) For triennial renewal of a CPA certificate or for a PA registration the applicant shall submit the following:

- (1) A ~~R~~enewal ~~A~~pplication; ~~F~~orm;
- (2) A ~~R~~eport of ~~C~~ompleted ~~C~~ontinuing ~~P~~rofessional ~~E~~ducation ~~F~~orm;
- (3) Documentation of completion of continuing professional education (CPE), if the applicant has been selected for a CPE audit; and
- (4) The appropriate fee.

(b) For biennial renewal of a firm permit the applicant shall submit the following:

- (1) A ~~F~~irm ~~P~~ermit ~~R~~enewal ~~A~~pplication ~~F~~orm;
- (2) Documentation of peer review, if required pursuant to Ac 405; and
- (3) The appropriate fee.

(c) Renewal materials shall be made available both online at the board's website and in hard copy format upon request.

(d) Each licensee shall have until June 30 to submit a completed renewal application, including payment of all fees due, for the ensuing 3-year certification or registration period.

(e) Each firm permitted to practice in New Hampshire shall have until June 30 of even years to submit a completed renewal application, including payment of all fees due, for the ensuing biennium.

Readopt Ac 401.02 and Ac 401.03, effective 12/27/07 (Document #9051), to read as follows:

Ac 401.02 General Requirements for Renewal Documentation. All forms and other documents submitted to the board as part of an application for renewal shall:

(a) Be written in English unless the original document is in another language, in which case a copy of the document in its original language shall be accompanied by a translation that has been attested to by the person who translated the document as being accurate and complete; and

(b) Except for signatures and dates of signatures, not be handwritten. The board shall accept forms and other documents that have been produced through the use of a computer, typewriter, or some other process that produces similarly legible and uniform text.

Ac 401.03 Certificate, Registration, and Permit Expiration.

(a) Each CPA certificate shall expire on the third June 30 after its issuance. As of July 1 in a renewal year no CPA shall hold him- or herself out as such to the public in New Hampshire until he or she has completed all renewal requirements and submitted all required renewal materials, including payment of all fees due.

(b) Each PA registration shall expire on the third June 30 after its issuance. As of July 1 in a renewal year no PA shall hold him- or herself out as such to the public in New Hampshire until he or she has

completed all renewal requirements and submitted all required renewal materials, including payment of all fees due.

(c) Each firm permit shall expire on the second June 30 after its issuance. As of July 1 each even-numbered year, no firm shall hold itself out as an accounting firm to the public in New Hampshire until it has submitted all required renewal materials and the appropriate fees.

(d) If timely application for renewal is made, a license shall, pursuant to RSA 309-B:7, II, remain in effect after June 30 for the period of time required for the board to act on the application, which shall be no later than 90 days after the filing of the application.

Readopt with amendment Ac 401.04, effective 12/27/07 (Document #9051), as amended effective 1/1/12 (Document #10054), to read as follows:

Ac 401.04 Renewal Forms.

(a) A licensee shall submit, by June 30 of a renewal year, the following on or with a ~~Ce~~rtification/~~R~~egistration ~~R~~enewal ~~A~~pplication ~~F~~orm:

- (1) The applicant's certificate number as issued by the board upon initial certification;
 - (2) The name of applicant, including any previous names under which the applicant held certification or registration;
 - (3) The applicant's complete mailing address;
 - (4) The applicant's complete business address;
 - (5) A statement as to whether, since the original issuance of the certificate or the last renewal, which ever is later, the applicant's practice privileges before any governmental agency or tribunal in any jurisdiction was in any way sanctioned or altered, and if so, a complete explanation of all material facts;
 - (6) A statement as to whether, since the original issuance of the certificate or the last renewal, which ever is later, the applicant was convicted of a felony or any offense involving dishonesty that has not been annulled by a court of competent jurisdiction, and if so, a complete explanation of all material facts;
 - (7) A statement as to whether, since the original issuance of the certificate or the last renewal, which ever is later, the applicant has had a license denied, revoked, suspended, or in any way limited or sanctioned by any other state or jurisdiction, and if so, a complete explanation of all material facts;
 - (8) An indication if the applicant is required or volunteers to report CPE; and
 - (9) The applicant's signature *and date*, attesting that the information contained in the application is true and correct to the best of the applicant's knowledge and belief.
- (b) A licensee shall submit the following on a Continuing Professional Education Reporting ~~F~~orm:
- (1) The total number of hours of CPE claimed for each of the years covered by the expiring license, in the categories listed in Ac 403.02(b)(1) – (4);
 - (2) The dates on which ethics CPE hours were earned, by category as listed in 403.02(b)(1) – (4);
 - (3) The number of hours of CPE carried forward, if any, from the previous licensure period;
 - (4) The total number of hours of CPE claimed; and

(5) The total number of hours of CPE required, based upon proration for their licensure period.

(c) If a licensee is among the 5% of the licensees randomly-selected for CPE compliance audit, the licensee shall submit the following on or with a ~~R~~report of ~~C~~eompleted ~~C~~eontinuing ~~P~~professional ~~E~~education, ~~F~~form:

- (1) The name of each organization that sponsored each program;
- (2) The location of program;
- (3) Title of program or description of content;
- (4) The dates of the applicant's attendance at the program;
- (5) The number of hours claimed, by category, as having been completed by the applicant;
- (6) Documented proof of the hours claimed, as set forth in Ac 403.02(d) – (g); and
- (7) The applicant's signature, attesting that the information contained in the application is true and correct to the best of the applicant's knowledge and belief.

(d) A firm shall submit, by June 30 of each even-numbered year, the following on or with a ~~F~~firm ~~P~~permit ~~R~~enewal ~~A~~application ~~F~~form:

- (1) The name of the firm;
- (2) The principal New Hampshire address;
- (3) The type of entity, including but not limited to:
 - a. Professional corporation;
 - b. Partnership;
 - c. Limited liability company; or
 - d. Professional limited liability company;
- (4) A statement as to whether firm is comprised of certified public accountants, public accountants, or both;
- (5) The names of all owners, partners, shareholders, members or others practicing in New Hampshire;
- (6) Statement of compliance with peer review requirements as set forth in Ac 405.02; and
- (7) A list of all licensees working for the firm.

Readopt Ac 401.05, effective 12/27/07, (Document #9051), to read as follows:

Ac 401.05 Documentation of Completion of Continuing Professional Education. Documentation acceptable to the board relative to CPE shall comply with Ac 403.02(d) – (g), as applicable.

Readopt with amendment Ac 401.06, effective 12/27/07, (Document #9051), as amended effective 1/1/12 (Document #10054) to read as follows:

Ac 401.06 Inactive Status Designation.

(a) A CPA or PA who does not intend to practice accounting but who, at a later date, might wish to re-enter practice, may apply to the board for permission to enter inactive status. Such status shall allow the applicant to continue to use the CPA or PA designation provided that the full word 'Inactive' appears immediately after the letter 'A' or word 'accountant' in their title.

(b) A CPA or PA seeking permission to use the inactive status designation shall submit the following on or with an ~~A~~application for ~~I~~inactive ~~S~~status ~~F~~form:

- (1) The applicant's certificate number as issued by the board upon initial certification;
- (2) The name of applicant, including any previous names under which the applicant held certification or registration;
- (3) The applicant's complete mailing address;
- (4) The applicant's complete business address;
- (5) A statement indicating that, at the time application is made, the applicant does not intend to practice public accounting during the next 3 years;
- (6) A statement indicating that he or she will neither hold himself or herself out as a currently practicing CPA or PA nor knowingly allow anyone else to do so;
- (7) A statement indicating that, should the applicant's intentions change, he or she shall notify the board at least 30 days prior to the proposed date of re-entry into practice;
- (8) A statement indicating that the applicant agrees before actually re-entering practice to satisfy all CPE requirements that would have been applicable had the applicant remained active in practice, up to a maximum of 120 hours;
- (9) The fee of \$275; and
- (10) The applicant's signature, attesting that the information contained in the application is true and correct to the best of the applicant's knowledge and belief.

(c) The board shall grant the Application for Inactive Status if it determines that the application is complete and the fee paid.

(d) The CPA or PA whose application has been granted may use the inactive status designation for the 3 years during which his or her renewal would have been effective. If the CPA or PA wishes to remain on inactive status after such 3 year period, he or she shall comply with (a) and (b) above and the board shall grant such applications pursuant to (c) above.

Readopt with amendment Ac 401.07, effective 7/4/08 (Document #9200), as amended effective 1/1/12 (Document # 10054) to read as follows:

Ac 401.07 Return to Active Practice.

(a) A licensee on inactive status pursuant to Ac 401.06, or a person who otherwise no longer holds a current license issued by the board, shall not return to active practice before the board determines that the licensee has complied with all requirements of this section.

(b) A licensee on inactive status pursuant to Ac 401.06, or a person who otherwise no longer holds a current license issued by the board, who seeks to return to active practice shall submit the following on or with an ~~A~~application for ~~R~~return to ~~A~~active ~~P~~practice ~~F~~form:

- (1) The applicant's full name;

- (2) The applicant's social security number, if required to have one;
- (3) The applicant's former name or names, including maiden name;
- (4) The applicant's date and place of birth;
- (5) The applicant's complete residential address and phone number;
- (6) The applicant's mailing address, if different from residential address;
- (7) The applicant's current employer, including complete name, address, and phone number;
- (8) An indication of whether the applicant has had their license or practice privileges suspended or revoked by any licensing or regulatory body;
- (9) An indication of whether the applicant has been suspended or expelled from any professional accounting organization;
- (10) An indication of whether the applicant has used the full CPA designation, as opposed to the 'CPA Inactive' designation, since becoming inactive;
- (11) An indication of whether the applicant has been convicted of a misdemeanor involving dishonesty, any felony, or otherwise committed dishonest acts;
- (12) An explanation of all material facts detailing each response to (8), (9), (10), or (11) above that is in the affirmative;
- (13) Documentation, pursuant to Ac 401.05, of completion of 120 hours of CPE, including at least 4 hours of ethics;
- (14) Payment of the fee required by Ac 301.134(c); and
- (15) The applicant's signature, attesting that the information contained in the application is true, correct, and complete to the best of the applicant's knowledge and belief.

Readopt with amendment Ac 402, effective 12/27/07, (Document #9051), to read as follows:

PART Ac 402 REVOCATION, SUSPENSION, AND OTHER SANCTIONS

Ac 402.01 Initiation of Disciplinary Action. The board shall undertake misconduct investigations, settlements of misconduct allegations, or disciplinary hearings, in response to any information which reasonably suggests that a licensee has engaged in professional misconduct.

Ac 402.02 Disciplinary Sanctions.

(a) Other than immediate license suspensions authorized by RSA 541-A:30, III the board shall impose disciplinary sanctions only:

- (1) After prior notice and an opportunity to be heard; or
- (2) Pursuant to a mutually agreed upon settlement or consent decree.;

(b) When the board receives notice that a licensee has been subjected to disciplinary action related to professional conduct by the licensing authority of another jurisdiction, where the license was not reinstated, the board shall issue an order directing the licensee to demonstrate why reciprocal discipline should not be imposed in New Hampshire.

(c) In a disciplinary proceeding brought on the basis of discipline imposed in another jurisdiction the licensee shall be subject to any disciplinary sanction authorized by RSA 309-B:10.

(d) After a finding that misconduct has occurred, the board shall impose one or more of the disciplinary sanctions authorized by RSA 309-B:10.

(e) In imposing sanctions, the board shall consider the following factors, along with the presence of other aggravating or mitigating circumstances, in determining the level or kind of disciplinary sanction imposed:

- (1) The seriousness of the offense;
- (2) Prior disciplinary record;
- (3) State of mind at the time of the offense;
- (4) Acknowledgment of his or her wrongdoing;
- (5) Willingness to cooperate with the board;
- (6) The purpose of the rule or statute violated;
- (7) The potential harm to public health and safety; and
- (8) The nature and extent of the enforcement activities required of the board as a result of the offense;

~~(f) No hearing date established in a proceeding conducted under Ac 402.02 shall be postponed at the request of the licensee unless the licensee also agrees to continue the suspension period pending issuance of the board's final decision.~~

~~(fg)~~ Copies of board orders imposing disciplinary sanctions and copies of all settlement agreements or consent decrees shall be sent to the licensing body of each state in which the licensee is licensed and to such other entities, organizations, associations, or boards as are required to be notified under applicable state or federal law.

Ac 402.03 Revocation.

(a) "Revocation" means the permanent and complete cancellation, after notice and opportunity for hearing, of any authority, or privileges that were granted to a CPA, PA, or firm through the issuance of a certificate, registration, or permit pursuant to RSA 309-B.

(b) The sanction of revocation is the most severe form of sanction and as such shall be imposed only after notice and opportunity for a hearing in those cases in which:

- (1) A CPA, PA, or firm has committed a felony or engaged in one or more acts that constitute criminal or reckless misconduct;
 - (2) A CPA, PA, or firm has engaged in more than 2 acts of misconduct within a 3-year period; or
 - (3) A CPA, PA, or firm's certificate, permit, or registration, or equivalent, to practice public accountancy in any other state has been revoked.
- (c) The minimum period for revocation shall be 3 years commencing from the latter of:
- (1) The date that the revocation goes into effect; or

(2) The date on which no further appeal may be taken.

(d) Upon receipt of a revocation order from the board, the CPA, PA, or firm shall immediately cease holding itself out to the public as a CPA, PA, or firm. Further, such CPA, PA, or firm shall immediately cease engaging in any act for which certification, registration, or a permit is required.

(e) Failure to comply with (d) above, shall constitute separate grounds for further disciplinary action.

(f) A subsequent certificate, permit or registration shall be obtained only after:

(1) The passage of the amount of time specified in the revocation order;

(2) Complying with all of the requirements of RSA 309-B and Ac 300 regarding application for an initial certificate, registration, or permit;

(3) Demonstrating that the cause for revocation does not exist at the time of the subsequent application; and

(4) Demonstrating that any corrective actions that were ordered by the board have been fully implemented.

Ac 402.04 Suspension.

(a) "Suspension" means the temporary withdrawal, after notice and opportunity for hearing, of any authority, or privileges that were granted to a CPA, PA, or firm through the issuance of a certificate, registration, or permit pursuant to RSA 309-B.

(b) The sanction of suspension shall be imposed only after notice and opportunity for a hearing in those cases in which the board determines that:

(1) At least one of the following is true

a. A CPA, PA, or firm has engaged in misconduct, violated any board rule, or violated a statutory requirement; or

b. A CPA, PA, or firm's certificate, permit, or registration, or their analogues, to practice public accountancy in any other state has been suspended;

(2) The board determined that, based upon the facts of the case, imposition of a primary sanction alone would not protect the public; and

(3) The board determined that, based upon the facts of the case, imposition of a revocation would not be necessary to protect the public.

(c) The suspension decision and order issued by the board shall address:

(1) The specific violation(s) upon which the order is based, including a discussion of any applicable aggravating or mitigating factors;

(2) The process by which the licensee may appeal the decision and order;

(3) The minimum period of time during which the suspension shall remain in effect;

(4) The corrective actions which the licensee is required to take before reinstatement can be granted; and

(5) Any recommendations the board has with respect to avoiding the same or similar violations in the future.

(d) The minimum period for suspension shall be that amount of time necessary for the CPA, PA, or firm to take corrective action ordered by the board and return to compliance. Suspension shall have no effect upon the expiration of a certificate, registration, or permit. Specifically, suspension shall not cause expiration to be advanced or delayed.

(e) Upon receipt of a suspension order from the board, the CPA, PA, or firm shall immediately cease holding itself out to the public as a CPA, PA, or firm. Further, such CPA, PA, or firm shall immediately cease engaging in any act for which certification, registration, or a permit is required until the board grants reinstatement pursuant to (g), below.

(f) Failure to comply with (e) above, shall constitute separate grounds for further disciplinary action.

(g) A CPA, PA, or firm seeking reinstatement shall petition the board, providing documentation of all corrective actions taken. The board shall review the petition and supporting documentation and grant the petition if it determines that all corrective action ordered by the board has, in fact, been taken and the CPA, PA, or firm has returned to compliance. If the board does not grant the petition it shall so notify the petitioner and provide the opportunity for a hearing.

Ac 402.05 Primary Sanctions.

(a) “Primary sanction” means a form of discipline, imposed only after notice and opportunity for hearing, for situations in which the public can be protected from the noncompliance with ethical and other regulatory or statutory requirements by a CPA, PA, or firm without resorting to the temporary withdrawal or permanent cancellation of the offender’s certificate, registration, or permit.

(b) Censure shall be the lowest form of primary sanction disclosed to the public. It shall consist of a statement from the board that describes the noncompliance and which is placed in the file of the CPA, PA or firm and an order of corrective action to be taken. A copy of the censure shall be forwarded to each other jurisdiction in which the CPA, PA, or firm is licensed. A censure shall be considered by the board in determining sanctions for any subsequent disciplinary action.

(c) Reprimand shall be the lowest form of primary sanction. It shall consist of a nonpublic statement from the board that describes the noncompliance and which is placed in the file of the CPA, PA or firm. A reprimand shall be considered by the board in any subsequent disciplinary action.

(d) Corrective action ordered as part of a censure shall include one or more of the following:

- (1) Taking one or more CPE courses to address the noncompliance;
- (2) Adopting new or amending existing policies or practices to address the noncompliance; and
- (3) Any other action intended to cure the noncompliance or prevent its reoccurrence.

(e) Failure of a CPA, PA, or firm to take corrective action as required pursuant to the censure shall constitute separate grounds for further disciplinary action.

Ac 402.06 Administrative Fines.

(a) Adjudicative procedures seeking the assessment of an administrative fine shall be commenced against any person subject to such fines or penalties under any provision of RSA 309-B when the board possesses evidence indicating that a violation has occurred.

(b) When persons subject to the board’s disciplinary authority are directed to pay fines in accordance with Ac 402.02 (e), such fines shall be assessed in accordance with the factors stated in Ac 402.02 (e) and the following additional considerations:

- (1) The cost of any investigation or hearing conducted by the board; and
- (2) The licensee's ability to pay a fine assessed by the board.

(c) Administrative fines shall not exceed the following amounts:

- (1) When no violation of the same type has occurred within the 5 years preceding the board's notice to the respondent, the fine assessed shall not exceed \$250.00 per day or \$1,000.00 per offense whichever is greater;
- (2) When a single disciplinary infraction of the same type has occurred within the 5 years preceding the board's notice to the respondent, the fine assessed shall not exceed \$250.00 per day or \$1,500.00 per offense whichever is greater;
- (3) When more than one disciplinary infraction of the same type has occurred within the 5 years preceding the board's notice to the respondent, the fine assessed shall not exceed \$250.00 per day or \$2,000.00 per offense whichever is greater; and
- (4) In the case of continuing violations, a separate fine shall be assessed for each day the violation continues, but the total amount of the fine and the respondent's promptness and cooperativeness in ceasing the prohibited conduct in question shall be considered in assessing the daily fines. A single course of continuing conduct shall be treated as a single violation for purposes of Ac 402.06 (c), (1), (2) and (3).

Ac 402.07 Procedures for Assessing and Collecting Fines.

(a) Payment of a fine shall be included among the options available for settling disciplinary allegations, and shall be included among the types of disciplinary sanctions imposed after notice and hearing.

(b) In cases where the board initially intends to limit disciplinary sanctions to an administrative fine, the board shall issue a "notice of apparent liability" describing the alleged offense, stating the amount of the assessed fine, and notifying the alleged offender that he or she shall pay or compromise the fine by a date certain or request that an administrative hearing be held. If a hearing is requested, the notice of apparent liability shall be withdrawn and a notice of hearing shall be issued. In such hearings, the board's disciplinary options shall not be limited to the assessment of an administrative fine.

(c) Nonpayment of a fine by a licensee or respondent in contravention of an order, agreement or promise to pay, shall be a separate ground for discipline by the board or a basis for denying a subsequent license or renewal application or a basis for judicial action seeking to collect the fine.

Readopt with amendment Ac 403, effective 7/4/08 (Document #9200), to read as follows:

PART Ac 403 CONTINUING EDUCATION

Ac 403.01 Continuing Professional Education Requirements.

(a) A licensee seeking renewal of a certificate or registration shall complete at least 120 hours of CPE in the 3 year period preceding renewal. This requirement shall be prorated if the licensee has been certified for less than 3 years or has received permission from the board to enter inactive status pursuant to Ac 401.06.

Proration shall be computed based on the date of initial certification or from the receipt of notification of inactive status approval by the board.

(b) Up to 60 hours of CPE in excess of the required 120 hours may be carried over to the next succeeding triennial period only.

(c) Notwithstanding any other provision of Ac 403, a licensee shall complete a minimum of 20 hours of CPE by June 30 each year. For purposes of this paragraph, carryover hours shall not be applicable.

(d) Notwithstanding any other provision of Ac 403, a licensee shall complete a minimum of 4 hours of CPE in the area of professional ethics in each 3-year certification or registration period or as a condition of renewal upon returning to active practice from inactive status, regardless of the duration of inactive status.

(e) A licensee seeking renewal of a certificate or registration issued less than 3 years but more than 2 years prior to the renewal shall show completion of at least 80 hours of CPE and has complied with Ac 403.02, and meet the requirements of (c) above and (h) below.

(f) A licensee seeking renewal of a certificate or registration issued less than 2 years but more than one year prior to the renewal shall show completion of at least 40 hours of continuing professional education and has complied with Ac 403.02, and meet the requirements of (c) above and (h) below.

(g) A licensee seeking renewal of a certificate or registration issued less than one year prior to the renewal period shall only submit the completed license and the applicable fee. However, if such licensee has completed any continuing education programs after the licensee's New Hampshire certification date, such licensee shall file a renewal form, with applicable fee, reporting such continuing education and may carry forward all such education credit, not to exceed 60 hours, to the subsequent period. Upon the licensee's first full triennial renewal the licensee shall comply with Ac 403.01(a).

(h) For purposes of determining the applicable hours of continuing education required, a licensee seeking a triennial renewal who was certified in this state by reciprocity shall determine the amount of CPE to submit by using the original date of certification in the state from which the licensee claimed reciprocity.

(i) A licensee who has previously held a certificate or registration but who was on inactive status shall show compliance with Ac 403.01(a) and (d).

(j) A licensee certified in New Hampshire by reciprocity and seeking renewal shall complete 20 hours of CPE for each full July 1 to June 30 period, commencing from the date of licensure in New Hampshire.

(k) A licensee may petition the board to waive the specific requirements of this section based upon individual hardship due to:

(1) Health issues supported by documentation from the licensee's physician or medical professional that shall be furnished to the board when necessary for a fair and informed determination by the board;

(2) Military service for serving on temporary active duty in the armed forces of the United States for a period of time exceeding 120 consecutive days in a year; or

(3) A showing of good cause that includes serious accident, illness or other circumstances beyond the control of the licensee which actually prevents the licensee from satisfying the CPE requirements.

(l) If, in any one year within a triennial certification or registration period, a licensee fails to earn 20 hours of CPE as required by (c) above, the board shall, upon petition, waive the 20 hour/year CPE requirement for that one year out of 3 if the licensee has completed the required number of hours of CPE for the preceding licensure period pursuant to (c) above.

(m) As soon as a licensee realizes that he or she will not meet the 20 hour/year CPE requirement in a non-renewal year, the licensee shall petition the board for permission to satisfy the deficiency within 6 months of the filing of the petition, except that all CPE shall be earned no later than June 30 in a renewal year.

(n) As soon as a licensee realizes that he or she will not meet the 20 hour/year CPE, the 120-hour or prorated triennial CPE requirement, or both in a renewal year, but no later than June 30, the licensee shall petition the board for permission to satisfy the deficiency within 60 days. The petition shall be accompanied by payment of a \$100.00 administrative fine for failing to meet the applicable CPE requirement.

(o) In cases where a licensee fails to meet the 20 hour/year CPE requirement a subsequent time, he or she shall petition the board for permission to satisfy the deficiency in the immediately following year. Waivers for repeat offenders shall be issued on a case by case basis with exceptions given for reasons of individual hardship, including health, military service, or other good cause.

(p) The board shall deny the renewal application of any licensee who has failed to satisfy the 20 hour/year CPE requirement by June 30 each year more than once in a single 3-year certification or registration period unless the applicant petitions the board and receives permission pursuant to (o) above.

(q) The board shall deny the renewal application of a licensee who does not satisfy his or her hourly requirement for renewal of his or her license, unless the applicant petitions the board and demonstrates that the failure was beyond his or her control.

(r) Documentation of completion of continuing education shall be retained by the licensee for a period of 4 years from the date of renewal.

Ac 403.02 Continuing Professional Education.

(a) An activity or program shall qualify as acceptable CPE for the renewal period in which the activity occurred or program was attended, except as provided in Ac 403.01(b) or (g), if it is a formal activity or program of learning which contributes to the growth and the professional knowledge and professional competence of an individual licensed under RSA 309-B.

(b) The responsibility for demonstrating that a particular program meets the requirements of this section shall rest solely upon the licensee. All documentation of CPE shall be retained for not less than 4 years from the date of the renewal in which the CPE was claimed.

(c) Activities or programs shall be in one of the 4 following formats:

- (1) Self-study;
- (2) Seminar or lecture;
- (3) Authoring articles, books, or other publications; and
- (4) Presenting, lecturing, or instructing.

(d) Activities or programs dealing with the following general subjects shall be acceptable provided they meet all other requirements of this section:

- (1) Public accounting;
- (2) Governmental accounting;
- (3) Public auditing;
- (4) Governmental auditing;
- (5) Administrative practices;

- (6) Social environment of business;
- (7) Regulatory ethics;
- (8) Business law;
- (9) Business management and organization;
- (10) Finance;
- (11) Management advisory services;
- (12) Marketing;
- (13) Behavioral ethics;
- (14) Communications;
- (15) Personal development;
- (16) Personnel and human resources;
- (17) Computer science;
- (18) Economics;
- (19) Mathematics;
- (20) Production;
- (21) Specialized knowledge and its application;
- (22) Statistics; and
- (23) Taxes.

(e) CPE credit shall be given with a minimum of 50 minutes constituting one hour. For university or college courses, each semester hour of credit shall equal 15 hours toward the requirement.

(f) To qualify for CPE as a program of self-study by a licensee, the self-study shall be documented by a certificate of completion prepared by the program sponsor that includes:

- (1) The name of the participant;
- (2) The name of the program;
- (3) The specific subject or subjects included in the program;
- (4) The date of completion;
- (5) An indication that the participant passed a test, prepared by the program sponsor, that demonstrates mastery of the subject matter of the program of self-study;
- (6) The number of hours that the program sponsor has determined should be awarded for each subject studied as part of the program;
- (7) Whether hours are computed on a 50-minute or 100-minute basis; and
- (8) The signature of an authorized representative of the program provider, certifying the accuracy of the information provided on the certificate of completion.

(g) To qualify for CPE as a program seminar or lecture attended by a licensee it shall:

(1) Fall within one of the following descriptions of subject matter and program provider:

- a. Professional education and development programs of national, state, and local accounting organizations;
- b. Technical sessions at meeting of national, state, and local accounting organizations and their chapters;
- c. Credit and non-credit courses from a university or college;
- d. Formal firm or in-house education programs;
- e. Programs of other organizations in the areas of professional accounting and industry;
- f. Committee meetings of professional accounting and trade societies which are structured as formal education programs;
- g. Dinner, luncheon, and breakfast meetings which are structured as formal education programs; and
- h. The portions of firm or in house meetings for staff, management groups, or both, which are structured as formal education programs and are devoted to the communication and application of general professional policy or procedure;

(2) Not include time devoted to firm or organizational administrative, financial, and operating matters; and

(3) Be documented by a certificate of completion from the program provider that shall include:

- a. The name of the participant;
- b. The name of the program;
- c. The dates and hours of attendance;
- d. The date of completion;
- e. The specific subject or subjects included in the program;
- f. The number of hours that the program sponsor has determined should be awarded for each subject studied as part of the program;
- g. Whether hours are computed on a 50-minute or 100-minute basis; and
- h. The signature of an authorized representative of the program provider, certifying the accuracy of the information provided on the certificate of completion.

(h) To qualify for CPE for authoring articles, books, or other publications, a licensee shall:

(1) Be capable of substantiating his or her claim through the production of research notes, drafts, or other documents;

(23) Keep a copy of each article, book, or other publication, as well as substantiation of authorship, in its published form for a period of 4 years after the licensee has claimed such authorship as CPE pursuant to Ac 403.01(n);

(34) Not claim CPE under this paragraph in excess of 50% of the total number of hours of CPE required for renewal; and

(45) Be documented by a certificate of completion from the licensee that shall include:

- a. The name of the licensee-author;
- b. The title of the article, book, or other publication;
- c. The beginning and ending dates of the writing project;
- d. The total number of hours spent on the writing project;
- e. The specific subject or subjects included in the article, book, or other publication; and
- f. The signature of the licensee, certifying the accuracy of the information provided on the certificate of completion.

(i) To qualify for CPE as a presentation, lecture, or instruction, a licensee shall:

- (1) Retain documentation, in the form of research notes, drafts or other documents, of the licensee preparing the presentation, lecture, or instruction;
- (2) Submit information regarding the time spent for preparation and for presentation;
- (3) Limit claimed preparation time to no more than twice the presentation time claimed;
- (4) Limit claimed presentation time to the actual time of presentation by the licensee;
- (5) Claim credit for multiple presentations of the same course within a single renewal period, only if the licensee made substantive changes to the materials or presentation requiring preparation time in excess of 25% of the preparation time claimed for the original preparation for the course;
- (6) Not claim CPE under this paragraph in excess of 50% of the total number of hours of CPE required for renewal; and
- (7) Be documented by a certificate of completion from a representative of the program sponsor that shall include:
 - a. The name of the licensee who prepared the materials;
 - b. The title of the presentation, lecture, or instruction;
 - c. The name of the licensee who presented the materials;
 - d. The date(s) on and hours during which the presentation, lecture, or instruction was given;
 - e. The total number of hours spent in the actual presentation of such materials;
 - f. The specific subject or subjects included in the presentation, lecture, or instruction; and
 - g. The signature of an authorized representative of the program provider certifying the accuracy of the information provided on the certificate of completion.

Readopt Ac 404, effective 12/27/07, (Document #9051), to read as follows:

PART 404 ONGOING REQUIREMENTS

Ac 404.01 Severance of Connection. All CPAs shall notify the board in writing within 30 business days after they sever connection with any firm for any reason, either personal, professional, or disciplinary.

Failure to provide a written notification of change of address shall not be exculpatory grounds for failing to respond to governing board inquiries or timelines and shall be grounds for disciplinary actions.

Ac 404.02 CPA Outsourcing Disclosures to Clients.

(a) If a CPA is using a third-party provider to assist the CPA in providing any professional services to a client, the CPA shall provide a written disclosure of such outsourcing to the client. Such written disclosure shall comply with (b) below.

(b) A disclosure required pursuant to (a) above shall be in a separate written statement of the services to be rendered by the third-party provider. The statement shall provide the client with an opportunity to opt out and clear instructions on how to opt out.

(c) A CPA outsourcing professional services to a third-party provider is responsible for insuring a third-party provider is in compliance with all applicable rules of professional conduct and ethics in Ac 500.

Ac 404.03 Retention of Client Records.

(a) A CPA shall return client records in his or her possession to the client upon request by the client or the client's designated agent for their return. The records shall be returned immediately upon demand unless a delay is necessary in order to retrieve a closed file or to extract the CPA's work papers described in (d) – (f) below. If the records cannot be returned immediately upon demand, the CPA shall immediately notify the client of the date by which the records will be returned. Nothing in this section shall require a CPA to pay delivery costs when the records are returned to the client.

(b) If the client is any form of a partnership, records shall be returned upon request by any of its general partners, its managing partner or his or her designated agent. If the client is a corporation, records shall be returned upon request by its president. If the client is a limited liability company, records shall be returned upon request by the managing member. Joint records shall be returned upon request by any party.

(c) A CPA shall not retain a client's records in order to force payment of any kind.

(d) Work papers shall be the CPA's property and need not be surrendered to the client. If work papers contain data which should properly be reflected in the client's books and records but have not been duplicated therein copies of any such work papers shall be provided to the client.

(e) Work papers considered part of the client's records shall include but not be limited to:

- (1) Worksheets in lieu of original entries, such as listings and distributions of cash receipts or cash disbursements on columnar work paper;
- (2) Worksheets in lieu of general ledger or subsidiary ledgers, such as accounts receivable, job cost and equipment ledgers, or similar types of depreciation records;
- (3) All adjusting and closing journal entries and supporting details not fully set forth in the journal entry; and
- (4) Consolidating or combining journal entries worksheets and supporting detail used in arriving at final figures incorporated in an end product such as financial statements or tax returns.

(f) Work papers developed by the CPA incident to the performance of an engagement which do not result in changes to the client's records, or are not in themselves part of the records ordinarily maintained by such clients, shall be solely the CPA's work papers and shall not be the property of the client.

(g) A CPA shall ensure that the work product and the work papers created in the performance of an engagement for a client are retained for a minimum of 5 years after creation unless the CPA is required by law to retain such records for a longer period.

Readopt with amendment Ac 405, effective 12/27/07, (Document #9051), as amended effective 1/1/12 (Document #10054) to read as follows:

PART Ac 405 PEER REVIEW

Ac 405.01 Definitions.

(a) “Agreed-upon procedure” means a professional service whereby a CPA is engaged to issue a report of findings based on specific procedures performed on financial information prepared by or on behalf of the client, and for which attestation by the CPA is required pursuant to the agreement with the client.

(b) “Peer review program” means an independent review and analysis of the procedures and methodologies used by a firm in its provision of any of the services listed under Ac 405.02(a) for the purpose of determining compliance with generally accepted standards for such services and making recommendations to the firm for coming into compliance when gaps in compliance have been found.

(c) “Peer review program” means a practice monitoring program.

(d) “Peer review entity” means a peer review program administrator approved by the board.

Ac 405.02 Peer Review Required.

(a) Each firm that provides any of the following services to the public shall participate in a peer review program:

- (1) Audits, whether financial, performance, or both;
- (2) Reviews of financial statements;
- (3) Compilations of financial statements; and
- (4) Agreed-upon procedures.

(b) No firm shall be required to participate in a peer review program until the firm agrees to undertake a report engagement for a service listed under (a) above.

(c) A peer review shall be performed and reported in accordance with standards that are no less stringent than the “~~pPeer rReview pProgram~~ **Manual**” of the ~~AICPA American Institute of Certified Public Accountants~~, **January 8, 2014 edition**.

(d) Within 30 days of first being engaged to provide any service listed under (a) above, a firm shall notify the board in writing, and provide documentation of enrollment in a peer review program that meets the requirements of this part. Failure to comply with the peer review requirements of this part shall subject the firm to disciplinary action by board in accordance with RSA 309-B:10, I.

(e) Within 18 months of the year-end date of the report on engagement the firm first agrees to undertake a service listed under 405.02 (a), the firm shall undergo a peer review.

(f) Within 24 months of the year-end date of the report on the engagement the first agrees to undertake a service listed under 405.02 (a), the firm shall furnish to the board a peer review final acceptance letter.

(g) If a firm is unable to furnish a final acceptance letter within 24 months pursuant to (f) above due to being issued a report with a rating of pass with deficiency or deficiencies or fail, the firm shall, within the 24 month period, provide to the board an accept-provided-that letter, describing required follow-up actions and their due date, from the peer review entity.

(h) If the final letter of acceptance has not been issued as of the date the CPA firm files the firm registration form, the status of the peer review in process, as is within confidentiality requirements, shall be obtained from the peer review entity and submitted with the firm registration form.

(i) If the firm is unable to furnish a final acceptance letter due to being issued a report with a rating of pass with deficiency or deficiencies or fail, the firm shall provide to the board an accept-provided-that letter, describing required follow-up actions and their due date, from the peer review entity.

(j) Any firm that receives a report with a rating of pass with deficiency or deficiencies or fail shall abide by the peer review entity's required follow-up actions, including fulfilling such follow-up actions within the time frame established by the peer review entity, and subsequently obtain a final peer review acceptance letter from the peer review entity.

(k) A peer review shall not be considered by the board to be complete until the final letter of acceptance has been issued by the peer review entity. Such final letter of acceptance shall indicate the new due date of the firm's next peer review.

(l) If the final letter of acceptance has not been issued as of the date the CPA firm files the firm registration form, it shall be submitted within 60 days of the date it is issued.

(m) Firms required to participate in a peer review program shall participate in and complete one of the following peer review programs:

(1) AICPA National Peer Review Committee;

(2) AICPA Peer Review Program; or

(3) Any other peer review program that is substantially equivalent to those programs listed in (1) and (2) above.

(n) Each firm required to participate in a peer review program shall continue participating in a peer review program until the firm or its successor in interest has, for a period of at least one year, outside of its peer review year, not engaged in any service listed in (a) above and does not intend to in the future.

(o) Subsequent peer reviews of a firm shall be due no later than 6 months from the end of the 3-year peer review period unless an extension is granted by the peer review program entity.

(p) If a firm is granted an extension of time to complete its peer review, the firm shall submit to the board a copy of the letter from the peer review entity that granted the extension.

Ac 405.03 Ethical Duties of Reviewer.

(a) A reviewer shall be independent with respect to the reviewed firm and comply with "Section 1000 Standards for Performing and Reporting on Peer Reviews," as found in the AICPA "Peer Review Program Manual," January 8, 2014 edition.

(b) Information concerning the participating firm or its clients or personnel that is obtained as a consequence of the review shall be confidential and shall not be disclosed to anyone not involved in the peer review process.

Readopt with amendment Ac 500, effective 12/27/07, (Document #9051), to read as follows:

CHAPTER Ac 500 ETHICS

PART Ac 501 APPLICABILITY

Ac 501.01 Application to All Professional Services.

(a) The ethical standards that follow shall apply to all professional services performed by a licensee in the practice of public accounting except:

(1) Where the wording of the rule indicates otherwise; and

(2) That a licensee who is practicing outside the United States shall not be subject to discipline for departing from any of the rules stated herein as long as the licensee's conduct is in accord with the rules of the organized accounting profession in the country in which he or she is practicing.

(b) Where a licensee's name is associated with financial statements under circumstances that would entitle the reader to assume that United States practices were followed, the licensee shall comply with the requirements of Ac 504.01 and Ac 504.02.

Ac 501.02 Violations of Rules Also an Act of Misconduct. The violation of any provision of Ac 300, Ac 400, or this chapter by a licensee shall be considered by the board to be an act of misconduct and shall subject the licensee to disciplinary action.

Ac 501.03 Licensee Responsibility for Associates. A licensee shall be held responsible for noncompliance with the rules by all persons associated with him or her in the practice of public accounting who are either under the licensee's supervision or are the licensee's partners or shareholders in the practice, if the licensee knew or should have known of such associated persons failure to comply with the rules.

Ac 501.04 Applicability to Indirect Services. A licensee shall not permit others to carry out on his or her behalf, either with or without compensation, acts which, if carried out by the licensee, would place the licensee in violation of the rules.

PART Ac 502 INDEPENDENCE

Ac 502.01 Opinion on Financial Statements.

(a) An accountant or a firm of which he or she is a partner, shareholder or member shall not express an opinion on financial statements of an enterprise unless the accountant and the accountant's firm are independent with respect to such enterprise.

(b) Independence shall be considered to be impaired if, for example:

(1) During the period of his or her professional engagement, or at the time of expressing his or her opinion, the accountant or the accountant's firm:

a. Had or was committed to acquire any direct or material indirect financial interest in the enterprise;

b. Was a trustee of any trust or executor or administrator of any estate if such trust or estate had or was committed to acquire any direct or material indirect financial interest in the enterprise;

c. Had any joint closely-held business investment with the enterprise or any officer, director or principal stockholder thereof which was material in relation to his/her or his/her firm's net worth; or

d. Had any loan to or from the enterprise or any officer, director or principal stockholder thereof, except for the following loans from a financial institution when made under normal lending procedures, terms and requirements:

1. Loans obtained by an accountant or his firm which are not material in relation to the net worth of such borrower;
 2. Home mortgages; and
 3. Other secured loans, except loans guaranteed by an accountant's firm which are otherwise unsecured; and
- (2) During the period covered by the financial statements, during the period of the professional engagement, or at the time of expressing an opinion, he/she or his/her firm:
- a. Was connected with the enterprise as a promoter, underwriter or voting trustee, a director or officer, or in any capacity equivalent to that of an accountant of management or of an employee; or
 - b. Was a trustee for any pension or profit-sharing trust of the enterprise.

PART Ac 503 INDEPENDENCE, INTEGRITY AND OBJECTIVITY

Ac 503.01 Standards of Integrity and Objectivity. In the performance of any professional service, a licensee shall:

- (a) Maintain independence, objectivity and integrity;
- (b) Be free of conflicts of interest; and
- (c) Not knowingly misrepresent facts or subordinate his or her judgment to others.

PART Ac 504 GENERAL STANDARDS OF ACCOUNTING PRINCIPLES

Ac 504.01 Professional Standards.

- (a) The board hereby adopts the principles, standards and interpretations set forth in the December 15, 2014, AICPA "Code of Professional Conduct".
- (b) Licensees shall comply with the standards and interpretations incorporated in (a) above.
- (c) In addition to the standards incorporated in (a) above, licensees shall:
 - (1) Undertake only those professional services that the licensee or the licensee's firm can reasonably expect to be completed with professional competence;
 - (2) Exercise due professional care in the performance of professional services;
 - (3) Adequately plan and supervise the performance of professional services; ~~and~~
 - (4) Obtain sufficient relevant data to afford a reasonable basis for conclusions or recommendations in relation to any professional services performed; **and**
 - (5) Cooperate with investigations and requests for information from the board and the board's representatives.

Ac 504.02 Accounting Principles.

- (a) If financial statements or financial data contain any departure from an accounting principle contained in any professional standards incorporated in Ac 504.01 and adopted by the American Institute of Certified Public Accountants or the Financial Accounting Standards Board that has a material effect on the statements or data taken as a whole, then a licensee shall not:

- (1) Express an opinion or state affirmatively that the financial statements or other financial data of any entity are presented in conformity with generally accepted accounting principles; or
- (2) State that he or she is not aware of any material modifications that should be made to such statements or data in order for them to be in conformity with generally accepted accounting principles.

(b) If, however, the statements or data contain such a departure and the licensee can demonstrate that due to unusual circumstances the financial statements or data would otherwise have been misleading, the licensee may comply with the rule by describing the departure, its approximate effects, if practicable, and the reasons why compliance with the principle would result in a misleading statement.

PART Ac 505 CONFIDENTIAL CLIENT INFORMATION

Ac 505.01 Disclosure of Confidential Information.

(a) A licensee in public practice shall not disclose any confidential client information without the specific consent of the client.

(b) The requirement in (a) above shall not be construed:

- (1) To relieve a licensee of his or her professional obligations under Ac 504.01 and Ac 504.02;
- (2) To affect in any way the licensee's obligation to comply with a validly issued and enforceable subpoena or summons, or to prohibit a licensee's compliance with applicable laws and government regulations;
- (3) To prohibit review of a licensee's professional practice under American Institute of Certified Public Accountants or state CPA society or board of accountancy authorization; or
- (4) To preclude a licensee from initiating a complaint with, or responding to any inquiry made by, the professional ethics division or trial board of the Institute or a duly constituted investigative or disciplinary body of a state CPA society or board of accountancy.

(c) Licensees of any of the bodies identified in (b)(4) above and licensees involved with professional practice reviews identified in (b)(3) above shall not use to their own advantage or disclose any licensee's confidential client information that comes to their attention in carrying out those activities. This prohibition shall not restrict licensees' exchange of information in connection with the investigative or disciplinary proceedings described in (b)(4) above or the professional practice reviews described in (b)(3) above.

Ac 505.02 Use of Third Party Service Providers.

(a) Before using a third party service provider, the licensee shall:

- (1) Enter into a binding, enforceable contractual agreement with the third-party service provider to maintain the confidentiality of the information; and
- (2) Receive reasonable assurances from the third-party service provider that it has appropriate procedures in place to prevent the unauthorized release of confidential information to others.

(b) The nature and extent of procedures necessary to obtain reasonable assurance shall depend on the facts and circumstances, including the extent of publicly available information on the third party service provider's controls and procedures to safeguard confidential client information.

(c) When a licensee has entered into a binding, enforceable contractual agreement with a third-party service provider, the licensee shall comply with Ac 404.02. Such disclosure shall not relieve the licensee of his or her obligations under these rules.

(d) A licensee shall not be required to inform the client when the licensee contracts with or uses a third party service provider to provide administrative support service to the licensee.

(e) A licensee shall provide a written disclosure to the client that the licensee is using a third-party provider to assist the licensee in providing any professional services to the client, excluding (d) above.

(f) A licensee outsourcing professional services to a third-party provider shall be responsible for insuring a third-party provider is and remains in compliance with all applicable provisions of Ac 500.

PART Ac 506 CONTINGENT FEES

Ac 506.01 Prohibition.

(a) A licensee in public practice shall not:

(1) Perform, for a contingent fee, any professional services for, or receive such a fee from, a client for whom the licensee or the licensee's firm performs:

- a. An audit or review of a financial statement;
- b. A compilation of a financial statement when the licensee's compilation report does not disclose a lack of independence; or
- c. An examination of prospective financial information;

(2) Under any circumstances receive a contingent fee for the preparation of an audit, review or compiled financial statement; or

(3) Prepare an original or amended tax return or claim for a tax refund for a contingent fee for any client, subject to Ac 506.02 and (c) below.

(b) The prohibition in (a)(1) above shall apply during the period in which the licensee or the licensee's firm is engaged to perform any of the services listed above and the period covered by any historical financial statements involved in any such listed services.

(c) The prohibition in (a)(3) above shall not apply to a contingent fee for preparation of an amended return or claim for refund if the licensee has a reasonable expectation that the amended return or claim for refund will be subject of a substantive review by the taxing authority.

Ac 506.02 "Contingent fee" means a fee established for the performance of any service pursuant to an arrangement in which no fee will be charged unless a specified finding or result is attained, or in which the amount of the fee is otherwise dependent upon the finding or result of such service. The term does not include fees fixed by courts or other public authorities, or, in tax matters, if determined based on the results of judicial proceedings or the findings of governmental agencies.

Ac 506.03 Fees. A licensee's fees may vary depending on the complexity of services rendered.

PART Ac 507 ACTS DISCREDITABLE

Ac 507.01 Prohibition. A licensee shall not commit an act discreditable to the profession.

Ac 507.02 Advertising and Other Forms of Solicitation. A licensee in public practice shall not seek to obtain clients by advertising or other forms of solicitation in a manner that is false, misleading, or deceptive. Solicitation by the use of coercion, over-reaching, or harassing conduct shall be prohibited.

Ac 507.03 Commissions.

(a) A licensee in public practice shall not for a commission recommend or refer to a client any product or service, or for a commission recommend or refer any product or service to be supplied by a client, or receive any other form of a commission when the licensee or the licensee's firm also performs for that client:

(1) An audit or review of a financial statement;

(2) A compilation of a financial statement when the member expects, or reasonably might expect, that a third party will use the financial statement and the member's compilation report does not disclose a lack of independence; or

(3) An examination of prospective financial information.

(b) The prohibition in (a) above shall apply to the period in which the licensee is engaged to perform any of the services listed in (a)(1) – (3) above and to the period covered by any historical financial statements involved in such listed services.

(c) A licensee who is not prohibited by this section or RSA 309-B:14 from performing services for or receiving a commission and who is paid or expects to be paid a commission shall disclose that fact to any person or entity to whom the licensee recommends or refers a product or service to which the commission relates.

(d) This section shall not prohibit payments to individuals formerly engaged on the practice of public accounting, or payments to their heirs or estates.

Ac 507.04 Referral Fees. Any licensee who accepts a referral fee for recommending or referring any service of a licensee to any person or entity or who pays a referral fee to obtain a client shall disclose such acceptance or payment to the client.

Ac 507.05 Form of Practice and Name. A licensee shall not practice public accounting under a firm name that is misleading. Names of one or more past owners may be included in the firm name of a successor organization. An owner surviving the death or withdrawal of all other owners may continue to practice under a name which includes the name of past owners for up to 2 years after becoming a sole practitioner.

Ac 507.06 Registered Investment Advisors.

(a) A registered investment advisor shall not be deemed an incompatible occupation with that of a certified public accountant or a public accountant.

(b) CPAs and PAs who are registered investment advisors may be compensated on an hourly rate, fixed rate, or as a percentage of assets under management. However, CPAs and PAs shall not receive or accept commissions. A certified public accountant or public accountant who simultaneously practices as a registered investment advisor shall be subject to the standards of independence contained in Ac 502.